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Printed for the Colonial Office. June 1921.

SECRET.

Middle East.
No. 1.

REPORT

ON

MIDDLE EAST CONFERENCE

HELD IN

CAIRO AND JERUSALEM.

MARCH 12TH TO 30TH, 1921.

WITH APPENDICES.

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REPORT ON MIDDLE EAST CONFERENCE HELD IN CAIRO AND JERUSALEM, MARCH 12 TO 30, 1921.

I.—EVENTS LEADING UP TO THE CONFERENCE AND PROCEDURE ADOPTED.

1. ON the 14th February, 1921, the Cabinet met to consider the Report of the Inter-Departmental Committee which had been appointed by the Prime Minister to make recommendations as to the formation of a new Department under the Colonial Office to deal with mandated and other territories in the Middle East (Appendix 1).

The Cabinet decided to approve generally the recommendations contained in the Report on the understanding:—

(i.) That this approval involved no modification of the present arrangements, under which the revenues of the Government of India bore a portion of Middle Eastern expenditure; and

(ii.) That the Committee's proposals should, before being put into force, be communicated to and approved by the Government of India.

They also agreed that the Secretary of State for the Colonies should be authorised to visit Egypt in the early part of March for the purpose of consulting with the British authorities in Palestine and Arabia as proposed.

2. The Secretary of State for the Colonies immediately commenced the formation of the new Department, which was to take over from the Foreign Office, India Office and War Office on the 1st March. He had recommended to the Cabinet that, in order to ensure the immediate carrying out of the necessary measures to effect economies in the Middle East, it would be necessary for him to hold a Conference at some convenient centre, where he could meet, and discuss outstanding questions with, the responsible civil and military officials in the areas whose control had been transferred to the Colonial Office. The most convenient meeting-place was Cairo, and, as soon as it was confirmed that there was no local objection, arrangements were made for the High Commissioners and General Officers Commanding in Palestine and Mesopotamia, the General Officer Commanding in Persia, the Resident in the Persian Gulf, the Governor of Somaliland, and the Resident at Aden, with such staffs as they might consider necessary, to meet there early in March.

3. Provisional agenda were at the same time prepared by the Middle East Department and communicated by telegraph to all concerned. The departmental view on the questions to be discussed was submitted to the Secretary of State before his departure, after it had been discussed confidentially with a number of officers of local experience who happened to be in London at the time (Appendix 2).

4. On the 1st March the Secretary of State left London for Egypt, accompanied by Air-Marshal Sir Hugh Trenchard, K.C.B., D.S.O., Chief of the Air Staff, and officials of the Middle East Department. Major-General Sir P. P. de B. Radcliffe, K.C.M.G., C.B., D.S.O., Director of Military Operations, Mr. J. B. Crosland, Finance Department of the War Office, and Sir George Barstow, K.C.B., Treasury, joined the party at Cairo. During the voyage from Marseilles

to Alexandria, a programme for the Conference was approved by the Secretary of State (Appendix 3), and more detailed agenda prepared for the first discussions on Mesopotamia (Appendix 5). Lieutenant-General Sir Walter Congreve, V.C., K.C.B., Commander-in-Chief in Egypt and Palestine, who was returning to Alexandria by the same ship as the Secretary of State, most kindly consented to act as Chairman of the Military and Financial Committee throughout the entire Conference. To his unfailing tact and resource the complete unanimity, which was such a striking feature of the Conference, was very largely due.

5. A list of Members of the Conference, by Missions, will be found in Appendix 4. The first session was held on the 12th March, when the Secretary of State explained his object in calling the Conference, and outlined the programme to be followed. The Conference then split up into Committees, the composition of which varied with the subject under discussion, but which may be classified under the two main heads of Political and Military. Mr. R. D. Badcock, M.C., whose services were lent by the High Commissioner for Palestine, acted as Secretary to the Conference as a whole, and also to all Political Committees. The services of Lieutenant-Colonel B. H. Waters-Taylor, C.B.E., were similarly placed at the disposal of the Secretary of State by the Commander-in-Chief, Egypt and Palestine, as Secretary to the Military Committees. It reflects great credit upon these two officers, and especially upon Mr. Badcock, who made all arrangements for providing a temporary Secretariat, that such a full and accurate record was kept of between forty and fifty Committee meetings held between the 12th and the 24th March.

6. On the night of the 23rd March the Secretary of State left Cairo for Jerusalem, where further meetings were held to discuss questions affecting Palestine and Trans-Jordania, representative deputations were received, and visits paid to outlying districts. On the same day Sir George Barstow arrived in Cairo from London and presided over meetings which considered various financial questions relating to Mesopotamia. The Missions from Mesopotamia, Aden and Somaliland left Cairo on the 25th March, the Financial Adviser to the High Commissioner for Mesopotamia remaining until the 27th in order to complete the discussion of financial matters with Sir George Barstow, who then left Cairo for Jerusalem.

7. A summary of the conclusions arrived at will be found in the succeeding sections of this report, to which the minutes of the more important Committee meetings are attached as appendices.

II.—MESOPOTAMIA.

1. The main Mesopotamian agenda (Appendix 5) were discussed by two Committees: a Political Committee, presided over by the Secretary of State (Appendix 6), and a Military and Financial Committee, presided over by Sir Walter Congreve (Appendix 7). These two Committees also met together as a combined Committee, under the Secretary of State (Appendix 8), when the political and military proposals were considered side by side and co-ordinated. Sub-Committees of this combined Committee considered detailed questions relating to the distribution of troops and the respective rôles of military and air forces.

2. The Conference decided that political conditions involved the necessity for a Sherifian ruler to be selected for Mesopotamia, and that the most suitable ruler was the Emir Feisal. It was fully realised that His Majesty's Government could not nominate Feisal, but that he must be chosen by the people of Mesopotamia. At the same time it was felt that without his actual presence in the country it was possible that the activities of local candidates might prejudice his claims. It was also necessary to consider French susceptibilities, and a detailed programme was worked out for the successive steps necessary to ensure the best possible chance of Feisal being selected by the people of Mesopotamia as their ruler without His Majesty's Government taking too active a part in pressing for his acceptance (Appendix 9).

3. On the assumption that the programme could be satisfactorily carried out, the Conference decided that the garrison of Mesopotamia could be reduced to a total of twenty-three battalions as fast as shipping could be made available. Proportionate reductions of staffs, auxiliary services of all kinds, followers and animals would follow. It was estimated that the resultant saving in the estimate

for Palestine and Mesopotamia in 1921–22 would amount to 5½ millions, provided that prompt action was taken at all points. A further saving would result if the Government of India could be induced to shorten the time during which Indian troops remained on Imperial charge after repatriation to India. It was not proposed that the garrison should be reduced below the twenty-three battalion scale until after the hot weather. Meanwhile steps were recommended in order to facilitate a further reduction in October.

4. The Conference realised that any attempt to force purely Kurdish districts under the rule of an Arab Government would inevitably be resisted (Appendix 10). They accordingly recommended that, until such time as a representative body of Kurdish opinion might opt for inclusion in Iraq, Kurdistan should be dealt with direct by the High Commissioner, and kept separate from Iraq itself. The advantage of this solution would be that His Majesty's Government would be enabled to recruit Kurdish units under British officers, and thus to improvise a force which was more likely to be in a position to take over from the British garrison the defence of the frontier than an Arab army officered entirely by Arabs (Appendix 11). It was recognised that the existing force of Arab levies under British officers must for the present remain in existence, though political considerations demanded that measures should at the same time be adopted for the raising of a purely Arab army. It was accordingly decided that the existing Arab levies should be expanded by the addition of Kurdish and Assyrian units, and also by the recruitment of Arabs to replace the Kurdish elements in the existing organisation. By this means it was hoped to effect the early withdrawal of the Imperial garrisons in Kirkuk and other frontier districts. Speed, combined with maximum efficiency, was the object of this arrangement, and it was anticipated that, as the Arab army grew and became capable of taking over the whole country, the levy organisation, except in Kurdistan, would gradually disappear. The cost of the levy organisation would be borne on the Colonial Office vote, subject to a possible contribution by the Mesopotamian Government. The cost of the Arab army, on the other hand, would be borne entirely on Mesopotamian revenues, and would constitute for the year 1921–22 the contribution of that Government towards the cost of Mesopotamian defence.

5. Assuming that the country remained quiet internally and was not disturbed from outside, that the Arab Government proved a success, and that good progress were made in the training of the local levies and the development of the Arab army, it was hoped that a further reduction in the Imperial garrison to a twelve battalion scale, with further resultant savings, might take place in October, but this would of course be contingent upon events (Appendix 12).

6. The Conference then discussed the normal or permanent garrison for Mesopotamia, which it was hoped to reach some time in the year 1922–23.

A scheme for the control of Mesopotamia by the Royal Air Force was submitted by the Chief of the Air Staff and approved in principle by the Conference (Appendix 13). If this scheme were brought into operation, the Imperial garrison in Mesopotamia would eventually be reduced to 1 brigade and 1 pack battery. The alternative would be the retention in Mesopotamia of an Imperial garrison of 12 battalions of infantry, 1 cavalry regiment, 1 field battery, 1 pack battery, 1 sapper and miner company and 5 squadrons of the Royal Air Force. The Conference recommended that, in calculating the comparative advantages of these two alternatives, consideration should be given to the vital necessity of preparing and training an Air Force adequate to war requirements, the importance of testing the potentialities of the Air Force, the need for giving to superior officers and staffs experience in independent command and responsibility, and the provision of an all-British military and commercial air route to India (Section V, paragraph 3).

7. The following recommendations were made for the immediate disposal of the various refugees who were being maintained at the cost of the Imperial exchequer in Mesopotamia (Appendix 14):—

(a.) *Armenians.*—There were 14,000 Armenian refugees at Basra, who could neither be repatriated by land nor absorbed into the population of the country. No provision had been made for their maintenance during the financial year 1921–22. It was clear that they could not remain indefinitely in Mesopotamia, and the Conference accordingly recommended that they should be shipped forthwith to some port on the Black Sea, the Foreign Office being asked to recommend which locality was most suitable, in the light of the Turkish situation.

(b.) *Russians.*—There were some 800 Russian refugees at Basra who had been evacuated from Enzeli by the War Office under conditions arranged with the local Bolshevik commander. The Conference considered that they were in exactly the same position as the Russian refugees awaiting repatriation in Egypt. They would almost certainly be executed if they were sent back to Russia, as they were for the most part very obnoxious to the Bolshevik Government. It was realised that the time had not yet arrived for their repatriation, but it was considered desirable both from a humanitarian and from an economic point of view that they should be removed from Basra, where considerable mortality would be caused among them by the hot weather, to Egypt where their compatriots were being well looked after and assisted to some extent by local charities. the Conference accordingly recommended that they should be shipped immediately to Egypt with the exception of a few who might possibly obtain employment in Mesopotamia. The only alternative was that they should be shipped to Constantinople where the problem of the disposal of the large number of Russian refugees already there would not be materially affected by the influx of so small a number as 800.

(c.) *Assyrians.*—The High Commissioner for Mesopotamia had already warned all the Assyrian refugees that no funds would be available for their maintenance during the financial year 1921-22, and that on the 1st April steps would be taken to close down the refugee camps. The Assyrians fell under two categories: Urumians and mountaineers. The Urumians were those who had had already one chance of repatriation but had turned back owing to severe winter conditions. The Conference understood that there was no real prospect of these refugees being received either by the United States of America or in the French zone in Syria. They could not be absorbed into the local population of Mesopotamia, and no destination suggested itself to which they could be shipped. The Conference considered that there was no alternative but to give them some arms for their protection, and to turn them out to make their way back if they could to their own country. A small number might possibly be assisted by American charity, and some might enlist in the new levies.

With regard to the mountaineers the Conference recommended that they should be settled locally in conjunction with the new levy scheme. It was proposed that a few Assyrian companies should be raised under British officers and distributed along the frontier in localities where there appeared to be reasonable prospect of small Assyrian communities being settled down. It was anticipated that this would involve a total maximum expenditure of 200,000*l.* to meet the cost of providing them with agricultural implements, &c. The Conference recommended that this should be done, the expenditure involved being included in the proposed grant-in-aid for Mesopotamia.

8. Various financial questions were discussed in the first place by Committees under the Secretary of State, and provisional conclusions were arrived at, which were discussed with Sir George Barstow after the Secretary of State had left Cairo for Jerusalem (Appendix 15). Sir George Barstow's final recommendations as approved by the Secretary of State were on the following general lines:—

The Imperial Government to be responsible for any net difference between the expenditure and receipts (on a cash basis) whether civil or military, in Mesopotamia up to 31st March, 1921, Capital assets derived from military expenditure from vote of credit or army funds, *e.g.*, railways, port, electric appliances, telegraphs, &c., to be vested in the Colonial Office as from the 1st April, 1921, but as a general principle all properties which had been paid for by civil revenues, as shown in expenditure accounts of the civil administration of Mesopotamia, to be vested in the Mesopotamian Government. The Imperial assets to be disposed of as soon as convenient, as far as possible to the Mesopotamian Government at a fair valuation, failing this to private persons or companies. Payments by the Mesopotamian Government would probably not be made in cash, but would constitute an interest bearing debt due by Mesopotamia to the Home Government. Payment of interest might be deferred until the finances of Mesopotamia were in a position to bear them. The Mesopotamian budget should in future meet all civil charges, and in

addition provide a contribution to Imperial military charges. This contribution would for the present take the form of provision made for an Arab army to enable Imperial forces to be reduced. The local levies, Arab, Kurdish and Assyrian, would be regarded as Imperial forces.

9. Railway capital charges could not be met from current revenues of Mesopotamia (Appendix 16). An offer was made by Sir Arnold Wilson, on behalf of Messrs. Strick, Scott and Co., to purchase the Mesopotamian railways. The Secretary of State considered that it was inadvisable to accept this offer, more especially as the Company demanded a guarantee from his Majesty's Government. He was of opinion that if the hot weather passed quietly, and the policy suggested by the Conference proved successful, more advantageous offers could be expected in the future than were then justified. It was estimated that an expenditure of 325,000*l.* would be required during the year 1921-22 as the first part of a scheme of reconstruction and reconditioning of the Mesopotamian railways, which might eventually require as much as 6,000,000*l.* In order to relieve the administration of the liability of finding fresh capital for the railways, it was considered desirable that a bargain should be struck with private enterprise as early as possible, but it was not anticipated that this could be done until the political outlook was more settled.

III.—PALESTINE.

1. The Palestine Mission under Sir Herbert Samuel arrived in Cairo on the 16th March and left on the 23rd for Jerusalem with the Secretary of State.

The outstanding question to be discussed was the policy to be adopted with regard to Trans-Jordania, and its effect upon the strength of the Imperial garrison in Palestine. A combined political and military committee under the Secretary of State considered this question (Appendix 17), and arrived at provisional conclusions, which were then referred to a military committee (Appendix 18). The Conference recommended that Trans-Jordania should be constituted an Arab province of Palestine under an Arab governor, responsible to the High Commissioner. On this assumption they recommended the immediate military occupation of Trans-Jordania, without which they understood that it would be impossible to secure a settled government there or to stop anti-French action initiated in the British zone. These recommendations were, however, dependent upon the attitude adopted by the Emir Abdullah, and were subsequently modified as a result of interviews between the Secretary of State and the Emir which were held in Jerusalem on the 28th, 29th and 30th March (Appendix 19). In the course of these conversations it became quite clear, not only that the Emir was unwilling to become governor of Trans-Jordania himself under the High Commissioner, but also that he was not prepared to recommend a candidate for this appointment. He had himself announced his intention of taking a leading part in anti-French action, and the people of the district were expecting him to persist in this policy. When the policy recommended by the Conference for Mesopotamia, and for Arabia generally (section V, paragraph 2) was explained to him, he realised that for him to persist in active measures against the French would conflict with the interests of the Sherifian family and permanently alienate them from His Majesty's Government. His own suggestion was that an Arab Emir should be appointed for Palestine and Trans-Jordania, who should be in the same relations with the High Commissioner for Palestine as the future Emir of Mesopotamia with the High Commissioner for that country. It was explained to him that His Majesty's Government were already too far committed to a different system in Palestine for them to be able to adopt this proposal. He reluctantly accepted this, but proceeded to suggest that Trans-Jordania should be incorporated with Mesopotamia. He was told that this was also impossible. He then agreed to do his best to keep Trans-Jordania quiet during the month which must elapse before his father and brother could be consulted about the original proposal that it should be constituted an Arab province of Palestine. It was realised that he was being asked to undertake a very difficult task, and it was eventually suggested to him that he should make himself responsible for Trans-Jordania for the period of six months, during which time he would be assisted financially by His Majesty's Government, who would also help him to organise local forces under British officers. It was pointed out to him that if he succeeded in checking anti-French action for six months he would not only convince the French Government that, so far from being actively hostile to them,

the Sherifian family was prepared loyally to co-operate with His Majesty's Government in protecting them from external aggression, and would thus reduce their opposition to his brother's candidature for Mesopotamia, but he would also greatly improve his own chances of a personal reconciliation with the French, which might even lead to his being instated by them as Emir of Syria in Damascus. It was made perfectly clear to him that while they would do everything they could to assist towards the attainment of this object, His Majesty's Government could not in any way guarantee that it would be achieved. After full consideration he agreed to undertake responsibility for Trans-Jordania for six months. He preferred that military assistance should be given him in the form of aerial support, and assistance in the organisation of local levies under British officers, and said that he did not wish troops to be sent to Amman. As an alternative to the procedure recommended by the Conference this solution appeared preferable to the Secretary of State, both on financial and military grounds, and he accordingly recommended its adoption to the Cabinet on his return to London.

2. The question of the composition and recruitment of the Palestine Defence Force was discussed by a committee at Cairo (Appendix 20).

The recommendations made by this committee were reviewed in the light of the political decisions taken later at Jerusalem, where further committees were called to discuss this subject (Appendix 21). The original proposal of the High Commissioner for Palestine had been to raise a Defence Force on the militia system. He considered that the duties that would fall to a Palestine Defence Force were not such as to render indispensable the training of the men up to the standard of European armies, however desirable that might be in itself. He had suggested that a training of six months, followed by six months' service in their stations, and then periods of three months in each of the three following years, should suffice to provide a militia effective enough for its purpose, and numerous in proportion to its cost. Two objections were offered to these proposals. From the military point of view it was urged that a training on the militia basis would not provide a force which would be capable of taking the place of Imperial troops. From the political point of view it was pointed out that the terms of service would not appeal to the Arab in the same way that they did to the Jew, and it was feared that the result would be that no Arabs would enter the force. The alternative of enrolling the two elements of the force under different conditions—the Jews on a militia basis and the Arabs on a long-service basis—was considered and rejected. It was finally decided that the same terms of service should be offered to all—namely, short service of two or three years, with the option of extension to long service at the end of that period. As a result of the decision to regard Trans-Jordania as an Arab Province of Palestine, it was decided that the forces raised locally in Trans-Jordania should form part of the Palestine Defence Force. It was suggested that the Circassian element in Trans-Jordania might also be made use of for the formation of mounted troops. The High Commissioner pointed out that the effect of these decisions would be to make the Palestine Defence Force more expensive and to preclude the possibility of its being paid for entirely from Palestine revenues as he had originally suggested. There were two possible alternatives for dealing with the financial aspect of the force. It might either be regarded as a purely Palestine force paid for from Palestinian revenues, with the assistanee of a grant in aid from Imperial funds; or it might be treated on the analogy of the British officered levies in Mesopotamia and regarded as an Imperial force to the expenses of which Palestine revenues would provide an increasing contribution. No final decision was taken on these two alternatives and the Secretary of State desired the High Commissioner to prepare a complete scheme and submit it to him for approval. He undertook that the cost of the units of the force which were raised in Trans-Jordania would in any case be regarded as an Imperial commitment for the present.

3. The question of the composition of the Commission on the Holy Places referred to in Article 95 of the Treaty of Sèvres and Article 14 of the draft mandate for Palestine was considered by a Committee under the presidency of Sir H. Samuel (Appendix 22), which recommended that the post of Chairman would be most suitably filled by an Englishman of judicial experience and, so far as possible, world-wide reputation. They considered that, provided the members were not local people and were chosen as much on account of their impartiality as of their religious views, the best composition for the Commission, under a British

chairman, as suggested above, would be two Christians (one Catholic and one Orthodox), two Moslems (both Sunnis) and two Jews (one Zionist and one Orthodox). Sectarian views would be laid before the Commission by panels specially selected by the respective communities, but forming no part of the Commission. The Committee agreed that the Administration should be represented on the Commission, and considered that the best way to secure this would be by the appointment of a secretary, who would act in a dual capacity as member of the Commission and representative of the Administration. With regard to the payment of members, they recommended that this should be undertaken by the League of Nations or, failing this, by His Majesty's Government. They did not regard the functions which the Commission would perform as a Palestinian interest, and considered that no payment should be made towards it from the revenues of Palestine.

4. The Secretary of State received influential Moslem and Jewish deputations (Appendix 23), and assured them both that there would be no change in the declared policy of His Majesty's Government. The Balfour declaration contained two distinct promises, one to the Jews and one to the Arabs; both would be fulfilled. He was convinced that the Zionist cause would bring good to the whole world and welfare and advancement to the Arabs of Palestine. He appealed to the Jews to dispel the exaggerated fears of the Arabs by a good and friendly attitude and by the exercise of due restraint as well as of enthusiasm. He advised the Arabs, on the other hand, to give help and encouragement to the Jews, whose success would bring general prosperity and wealth to all Palestinians.

IV.—ADEN AND SOMALILAND.

1. The position with regard to Aden was that the Cabinet had only approved its transfer to the Colonial Office subject to the concurrence of the Government of India in the Report of the Masterton Smith Committee (Appendix 1). On the 21st March the Viceroy telegraphed to the India Office that so far as could then be seen the Government of India were likely to be able to accept the main recommendations of the Report in principle, subject to satisfactory financial adjustments. Any proposal to saddle India with financial liabilities for Aden on its transfer to the Colonial Office must be strenuously resisted. The Secretary of State for the Colonies, to whom this telegram was repeated, immediately informed the Secretary of State for India that there could of course be no question of the Colonial Office accepting the transfer of Aden unless a substantial contribution were made by India for the maintenance of Indian interests and responsibilities in Arabia (Appendix 24). It must be understood, therefore, that the recommendations made by the Conference, other than those relating to the immediate reductions proposed for the garrison of Aden, are subject to a satisfactory agreement being reached on the question of financial adjustments between the Imperial Government and the Government of India.

2. A Committee under the chairmanship of Major-General Sir Percy Radcliffe (Appendix 25) recommended that the present detachment at Nobat Dakim should be withdrawn in order to permit the infantry of the Aden garrison to be reduced at once to three battalions. A condition to this recommendation was that a flight of aeroplanes should be sent to Aden as early as possible, two machines to be available for use on either side of the Gulf of Aden as might be required. They also recommended that the orders already issued for the despatch of a pack battery to Aden should be cancelled; that the squadron of Indian cavalry should be returned at once to India; that two out of the four 6-inch guns, which form the main armament of the Royal Garrison Artillery at Aden, should be laid up; and that the defence light section should be reduced to the minimum required for keeping the instruments in a serviceable condition.

3. In order to ensure a further reduction in the garrison it was necessary that satisfactory relations should be established with the Imam of the Yemen (Appendix 26). The following steps were recommended for the attainment of this object: the removal of the ex-Turkish Vali, through the good offices of the Emir Abdullah; the transmission of a friendly reply to the Imam's latest letter, which had been received at Aden at the end of February; and the despatch of a member of the Lahej family, with some intelligent ex-Turkish subject, to Sanaa with a view to preparing the way for negotiations. On the success of this mission would depend the prospect of more formal negotiations, resulting in a

Treaty of Alliance. The Committee were of opinion that if these negotiations were successful it would be possible to reduce the garrison of Aden to one British and one Indian battalion. The battalion of Yemen infantry should at the same time be reduced to a strength of 400 and transferred to Somaliland to take the place of the Somalis of the Camel Corps, who would be organised on a retaining fee reserve basis. Arrangements would also be made to station one company of the Aden garrison at a hill station in Somaliland, provided that a station ship of about 1,500 tons, capable of carrying 600 troops, was always available at Aden. It was pointed out that the Chief of the Air Staff was averse from permanently detaching so small a unit as a flight of aeroplanes for service in Aden and Somaliland, and that he would prefer the force to be increased to one squadron. Financial considerations would render this impossible unless the Aden garrison were still further reduced, and it was considered premature to propose any scheme with this object.

4. The complete amalgamation of the Aden and Somaliland Administrations was recommended (Appendix 27). No conclusion was arrived at as to whether the Governor should be a military commander of Major-General's rank, as hitherto at Aden, or a purely civil officer. In the event of its being decided to separate the civil and military functions and to appoint a Civil Governor, the Committee considered that the Officer Commanding troops should not be of higher rank than Colonel-Commandant. It was agreed that a separate administrator resident in Somaliland would be unnecessary under present conditions, and that in the absence of the Governor the Officer Commanding troops at Aden should administer the Government. The political and civil secretaries, the political officers in charge of districts in Somaliland and the officers in executive charge of the towns of Aden and Shaikh Othman would be members of the political service recommended by the Masterton Smith Committee.

5. The Governor of Bombay kindly agreed to send a financial representative to discuss the financial aspect of the transfer of Aden, but owing to the shortness of the notice given this officer was unable to reach Cairo in time for the Conference, though he had an opportunity of subsequent discussion there with Sir George Barstow. In the absence of precise information as to Aden expenditure the Conference were unable to make any financial proposals.

V.—GENERAL.

1. *Middle East Services.*—The Secretary of State approved the recommendations of a Committee which discussed the question of the civil services for the countries dealt with by the Middle East Department (Appendix 28). These recommendations provided for a distinction to be drawn between officers to be absorbed into the pensionable Colonial Service and those who should be offered a five years' engagement on suitable terms. The latter category was practically identical with the political service recommended by the Masterton Smith Committee. It was decided that the respective High Commissioners should submit names of individuals whose retention was desired, with details of services, if any, to which they belonged, and recommendations specifying under which of the two categories they should fall. The Committee recommended that individuals transferred from pensionable services under other Departments of His Majesty's Government, or under other Governments, should be enabled to carry with them the pension rights which they had already earned, and that special provision should be made for the grant of a higher rate of pension to senior officers who were not already in the possession of previous pension rights. They considered that in the event of the termination of the mandates which had been vested in His Majesty's Government steps should be taken to safeguard the rights of British officials employed in Palestine and Mesopotamia and that a clause to this effect might be inserted in the mandates. The Colonial Office would work out a scheme as soon as possible which would be communicated, through the respective High Commissioners, to the individuals concerned for comment. Meanwhile individuals should be informed that their status would remain unchanged for a period of three months.

2. *Subsidies.*—The Conference framed a comprehensive policy for subsidies to the independent rulers of Arabia (Appendix 29). This provided that the subsidy to Ibn Saud should be increased to 100,000*l.* a year, paid monthly in arrears, conditional upon his maintaining peace with

Mesopotamia, Koweit and the Hedjaz. They recognised that King Hussein and Ibn Saud must be treated on the same footing, and accordingly recommended that the former should be paid a similar subsidy, conditional upon improvements in the pilgrimage arrangements, recognition of peace treaties, and the exercise of his influential help in maintaining order and good government in Arabian areas. In the event of satisfactory relations being established with the Imam they considered that that ruler should be offered a subsidy of 2,000*l.* a month. In order to control the aggression of the Idrisi against the Hedjaz and the Yemen, and thus to enable His Majesty's Government to increase their influence over King Hussein and the Imam, it was proposed to offer the Idrisi a subsidy of 1,000*l.* a month on condition that he preserved the peace and excluded foreigners from Asir. They also recommended a payment of 240,000 rupees a year from Mesopotamian revenues to Fahad Bey of the Anezeh and the continuance of the remission of date tax at present accorded by the Mesopotamian Government to the Sheikh of Koweit. They considered that no further payments should be made in respect of the lease of the Koweit foreshore, the appointment of a new Sheikh of Koweit being a suitable occasion for its discontinuance.

3. *Cross Desert Route, Railway and Pipe Line.*—The Secretary of State impressed upon the Conference the necessity for carrying out a far-sighted policy of Imperial aerial development in the future. One of the main air routes of the Empire would undoubtedly be that connecting Egypt with Mesopotamia and India, which would shorten the distance to Australia and New Zealand by eight or ten days. He directed that a committee should examine the possibilities of opening up a motor route across the desert from Palestine to Iraq (Appendix 30). This committee, over which Air Vice-Marshal Sir Geoffrey Salmond presided, recommended that the route should run viâ Amman, Azraq and Ramadi. This line was preferable to the southern alternative running through Maan, Jauf and Baghdad, because the distance involved was shorter, the tribal conditions were simpler, and the line was in close proximity to the projected railway line from the Mediterranean to Mesopotamia. Arrangements were made for a preliminary reconnaissance to be made at a cost not exceeding 10,000*l.*, and the Emir Abdullah undertook, at Jerusalem, to co-operate in every way.

Sir Arnold Wilson was consulted by Sir Herbert Samuel about the proposed railway and pipe line. He anticipated that it would not be known for three years whether the prospect of oil in Mesopotamia would justify the construction of such a line, and that two years more would be required for its completion. It was arranged that a railway representative should accompany the desert route reconnaissance party, on receipt of whose report an estimate of the probable cost would be prepared, and definite proposals would be submitted for the whole project, including the port at Haifa.

4. *Mandates and Anglo-French Convention.*—Opportunity was taken of the presence of the High Commissioners for Palestine and Mesopotamia to discuss the draft mandates and the Anglo-French Convention (Appendix 31). Beyond the clause suggested by the Committee on the Middle Eastern Civil Services (see paragraph (1) above) the only modifications which suggested themselves were possible additions to the Palestine and Mesopotamian mandates respectively to deal with the administrative distinctions recommended by the Conference for the treatment of Trans-Jordania and Kurdistan. It was realised that it would be difficult for His Majesty's Government to suggest any addition to the mandates at so late a stage, but it was thought that in order to anticipate possible legal objections it would be advisable for legal advice to be taken on this point. As a result of a reference to the Colonial Office, additional clauses to the two mandates were drafted in London and the Secretary of State decided that, if it proved unavoidable that some such addition should be made, these clauses should be adopted.

With regard to the Anglo-French Convention, the question of the appointment of the boundary commissioner provided for in article 2 was discussed. It was decided that, as the Mesopotamian section of the boundary could not be delimited until after the hot weather, it was desirable that the delimitation should be begun from the Palestine end, and the Foreign Office were informed accordingly. They were also requested to represent to the French Government that the selection of a French Commissioner who was already on good terms with the British authorities would best serve the ends of both Governments, and the names of two French officers were submitted to them, with the request that they would approach the French Government for the nomination of one or other of them.

5. *Hedjaz Railway.*—The question of the Hedjaz Railway was raised at Cairo by Sir Herbert Samuel, who pointed out that some authority was required to organise the traffic on the railway, and suggested that this authority might take the form of a joint Board. The question was discussed by a committee at Jerusalem (Appendix 32), which recommended that the Hedjaz Railway, being constituted as a single wakf, and comprising the lines from Damascus to Medina and from Haifa to Deraa, should be treated as a single administration. They considered that, in so far as the territories subject to a British and French mandate were concerned, the general supervision of the line should be entrusted to Moslem representatives from these territories. There should be a Board of Control composed of these representatives, which would meet at Deraa once a quarter. The management of the line should be vested in three managers, one appointed by each of the three Governments concerned, to whom an appeal would lie in the event of difference of opinion. These managers would be responsible to the Board of Control in respect of the disposal and distribution of the properties of the railway, but in respect of management, running of trains, &c., each should be responsible to his own Government. All rolling-stock belonging to the railway should be returned to it without delay. They recommend that the finances of the line should be treated as a whole, the allocation of revenues and expenditure being decided by the Board of Control subject to the approval of the Government concerned, and in accordance with the conditions of the wakf. There should be one auditor for the whole line, nominated by the Board of Control, and approved by the three Governments. The Secretary of State decided to take the matter up with the Foreign Office on these lines on his return.

VI.—CONCLUSION.

On the 30th March the Secretary of State left Jerusalem and returned to England, having for nineteen days been engaged in examining and discussing the Middle Eastern problem in all its bearings with the officials concerned. Both at Cairo and Jerusalem the official meetings were supplemented by private and informal discussions which were of at least equal value. Not only did the Conference work out the measures necessary to ensure an immediate and substantial reduction in Imperial expenditure, but opportunity was taken to frame a common policy for the future. Questions which would normally have involved protracted correspondence between Departments in London, and continual references to the respective authorities on the spot were settled in a few hours' friendly discussion. The experiment was amply justified by its results, and when improved communications bring the various countries of Middle East into closer contact, it may perhaps be repeated with even greater advantage.

8

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SECTION I.—MIDDLE EAST: EVENTS LEADING UP TO THE CONFERENCE AND PROCEDURE ADOPTED.

Appendix I.

REPORT OF THE INTERDEPARTMENTAL COMMITTEE APPOINTED BY THE PRIME MINISTER TO MAKE RECOMMENDATIONS AS TO THE FORMATION OF A NEW DEPARTMENT UNDER THE COLONIAL OFFICE TO DEAL WITH MANDATED AND OTHER TERRITORIES IN THE MIDDLE EAST.

TERMS OF REFERENCE.

The Prime Minister desires that an Interdepartmental Committee, under the supervision of the Secretary of State for War, composed as follows:—

Sir JAMES MASTERTON SMITH, K.C.B. (*in the Chair*),
Sir HERBERT CREEDY, K.C.B., C.V.O., War Office,
Sir HERBERT READ, K.C.M.G., C.B., Colonial Office,
Mr. RUSSELL SCOTT, C.B., C.S.I., Treasury,
Mr. J. E. SHUCKBURGH, C.B., India Office,
Major H. W. YOUNG, D.S.O., Foreign Office,

with Mr. E. E. BRIDGES, Treasury (*Secretary*),

shall meet—

To make recommendations for implementing the Cabinet decisions of the 31st December in regard to the formation of a new Department, under the Colonial Office, to deal with the administration of British mandated territories in the Middle East; this Department to comprise in principle Mesopotamia, Aden and Palestine.

The Committee to recommend in outline the steps to be taken to form a Middle Eastern Service for the administration of such territories, and the discharge of British responsibilities in regard to them; to prepare a time table for the handing over to the Colonial Office of the said duties from the different Departments now concerned with them; and to advise on the question of accommodation, &c.; to report to the Secretary of State for War by the 1st February for reference to the Prime Minister.

January 11, 1921.

To

The Right Hon. W. S. Churchill, M.P.

Sir,

1. We were appointed by Cabinet Minute of the 11th January, 1921, to make recommendations for carrying out the Cabinet decisions of the 31st December, 1920, in regard to the formation of a new Department under the Colonial Office to deal with the administration of British mandated territories in the Middle East. We were instructed to report to you by the 1st February for reference to the Prime Minister.

I.—DEFINITION OF THE TERRITORIAL SPHERE OF THE NEW DEPARTMENT.

2. In our terms of reference, which are set out in full on the opposite page, it is laid down that the Department to be set up is to "comprise in principle Mesopotamia, Aden and Palestine." We assume that it was intended that the term Palestine should cover Trans-Jordania. We are, however, faced at the outset with the following difficulty: Mesopotamia, Aden and Palestine are not conterminous. The large intervening area is sparsely inhabited by Arab tribes, who depend in the main on one or other of these three territories for their contact with the outside world. The land boundary of the Aden Protectorate is fixed on the West and North, but remains undefined on the East, and the land boundaries of Mesopotamia and Palestine on the south-west and east, respectively, have not yet been determined. Owing to the fact that the nomad tribes in the adjoining territories move freely to and fro between the desert and the more settled areas, it is questionable whether these boundaries can ever be defined in a final and satisfactory manner.

3. We understand that Article 132 of the Treaty of Sèvres provides that the disposal of this Central Arabian area, with the exception of the Hedjaz, is to be made by the Principal Allied Powers; that it has been the intention of the Foreign Office to obtain recognition from the other Principal Allied Powers of the special political interests of Great Britain in these areas; but that it has not yet been found possible to approach them with this end in view.

Although the Kingdom of the Hedjaz has been recognized as an independent State, none of its land boundaries have as yet been fixed.

We also understand that it was the intention of the Foreign Office to submit that the delimitation of the boundaries of Mesopotamia and Palestine should be undertaken by Great Britain as the mandatory for these two areas, in conjunction with the Arab rulers concerned.

4. In considering the steps to be taken to form a new Department to deal with the administration of Mesopotamia, Aden and Palestine, we have found it essential to take into account the future of the intervening area, and the special difficulties arising out of the absence of clearly defined boundaries. We have assumed that it was the underlying intention of the Cabinet decisions of the 31st December last that all administrative and political responsibilities which will devolve upon His Majesty's Government in respect of the Arab areas of the Middle East should, as far as possible, be placed under the control of one Department. The wording of our terms of reference quoted above has encouraged us in this belief.

5. On the assumption that it is the intention of the Cabinet that the Middle Eastern, or rather the Arab, problem should be treated as one organic whole, we consider that the guiding principle should be that the new Department should be responsible for directing policy as regards the whole Arabian peninsula, subject to certain qualifications, which are discussed later, regarding the Kingdom of the Hedjaz.

6. We accordingly recommend, subject to certain reservations to which we refer later, that the sphere of the new Department should include all the territories south and east of the newly defined boundary between the French mandated territories of Syria and the British mandated territories of Palestine and Mesopotamia. On the west this sphere would be bounded by the Mediterranean; on the south-west by the frontier of Egypt and the Red Sea; on the south and south-east by the Indian Ocean; on the north-east by the north-eastern boundary of Mesopotamia and by the Arabian littoral of the Persian Gulf.

7. This will entail the assumption by the new Department of all responsibility for the obligations resulting from the treaties which His Majesty's Government have from time to time negotiated with the Chiefs of the various districts of Arabia, and the responsibility for the negotiation of further treaties of this description. It will also entail the new Department having an influential if not a determining voice in the delimitation of the boundaries which have not yet been fixed, though the negotiations with the Principal Allied Powers would of course be conducted through the ordinary diplomatic channels.

8. With regard to the north-eastern boundary of the area, for which we recommend that the new Department should be responsible, we offer the following observations :—

(1.) **Kurdistan.**—We understand that Article 64 of the Treaty of Sèvres provides that, if within a period of one year from the coming into force of the Treaty the majority of the Kurdish peoples inhabiting the areas between the Armenian and Mesopotamian frontiers shall demand to be independent, and if the Council of the League considers them capable of such independence, Turkey will renounce all rights and title over these areas. In this case no objection will be raised by the Principal Allied Powers to the voluntary adhesion to such an independent Kurdish State of the Kurds inhabiting that part of Kurdistan (generally known as Southern Kurdistan) which has hitherto been included in the Mosul Vilayet.

We recommend that pending such a development the responsibility for Kurdistan should be vested in the new Department.

9.—(2.) **Persian Gulf littoral.**—These areas have for the last hundred years or more been under the political control of the Government of India, exercised for the past fifty years through an officer of the Government of India, with headquarters at Bushire—with the title of Political Resident in the Persian Gulf—who also controls the Northern (Persian) littoral as well as certain inland Consulates in South Persia. The Gulf is thus dealt with as a single administrative unit for all purposes. Posts at Bushire and on either side of the Gulf are interchangeable. The officers at each political agency (including an Arab residency agent at Sharjah, on the Trucial coast) correspond with the Government of India through the Political Resident at Bushire. This post is always held by an officer of many years' experience of the Gulf, assisted by an adequate staff.

10. All the accounts of the stations in the Gulf are dealt with at Bushire, where there is a Treasury of the Government of India. The currency of the Persian Gulf is almost exclusively Indian and the amounts involved are very large (*e.g.*, the Bahrein pearl trade alone aggregates over 4,000,000*l.* annually).

Almost all trade is with India; the Gulf lives almost wholly on cereals imported from India. Indian merchants handle the bulk of the trade.

11. Quarantine, Postal and Telegraphic Services, Public Works, Lights and Buoys, Naval duties, Military detachments and Political and Administrative personnel throughout the Persian Gulf are provided, controlled and partly paid for by India. The transfer to the new Department of the Arabian littoral would entail an additional burden on His Majesty's Treasury and could scarcely be accomplished without much confusion and possible friction. At the same time, we realize that the fact of Ibn Saud's territory having an outlet on the Gulf renders it essential that the new Department should have a deciding voice in all questions of policy affecting the littoral.

12. We accordingly recommend that the Arabian littoral of the Persian Gulf should remain under the control of the Political Resident in the Persian Gulf; that this officer should be appointed as at present by the Government of India, but should be authorized to communicate direct with the Colonial Office on matters concerning the Arabian littoral; that the functions of the Government of India in respect of the Arabian littoral should be confined to administrative and purely local matters, and that the prior concurrence of the Colonial Office should be obtained by them to any measures of political significance; and lastly, that the relations of His Majesty's Government with Ibn Saud should be conducted exclusively by the new Department through the Political Resident at Bushire in the first place. It may also be desirable to provide that the Political Agent at Bahrein, whom we understand to be the official in direct touch with Ibn Saud, should in cases of urgency be communicated with direct by the new Department.

13. **Relations with the Kingdom of the Hedjaz.**—If these arrangements are carried out, the Colonial Office will become the authority responsible for the direction of the Arabian policy of His Majesty's Government, except in regard to the Kingdom of the Hedjaz. On geographical grounds, there would be obvious advantages in an arrangement by which negotiations with the Kingdom of the Hedjaz were entrusted to the Department which is to be responsible for the territories surrounding it on three sides. It is also clear that the new Department will be seriously hampered in its dealings with Central Arabia if it is not in a position to exercise a direct influence over the policy of His Majesty's Government in regard to the Kingdom of the Hedjaz.

14. It may appear somewhat anomalous that negotiations with an independent Kingdom should be entrusted to any Department other than the Foreign Office. It has been suggested that the direct conduct of negotiations between the Government of India and Afghanistan presents a somewhat similar arrangement to that indicated above, but we understand it to be the view of the Foreign Office, that the case of Afghanistan does not offer an exact analogy with that of the Hedjaz.

Afghanistan is not in general diplomatic relations with Western Powers; it is not a member of the League of Nations; it has practically no means of access to the outside world, and geographical reasons alone would be sufficient to make the Viceroy of India the channel of communication between His Majesty's Government and the Afghan Government. The Hedjaz, on the other hand, has only to ratify the Treaty of Versailles to regularize its position as an original member of the League of Nations; it contains the holiest cities of Islam, to which large numbers of the Moslem subjects of every power in the world make an annual pilgrimage; it lies on the Red Sea, and thus has access by water to the outside world, and European Powers will continue to be represented there in the future, as they have been in the past. We cannot deny that there is considerable force in this argument. At the same time, we are impressed with the paramount importance of the general direction and control of the Arabian policy of His Majesty's Government being vested in one Department of State, though we regard any arrangement by which the representative of His Majesty's Government in the Hedjaz should communicate with any Department other than the Foreign Office as unworkable.

15. We accordingly recommend that the channel of communication between His Majesty's Government and the Hedjaz Government should still be the Foreign Office, but that in all questions affecting purely Arab politics the Colonial Office should be regarded as the responsible British authority.

II.—SCOPE OF THE NEW DEPARTMENT.

16. We have thought it necessary to discuss at some length the definition of the territorial sphere for which the new Department should be responsible, since it was clearly impossible for us to make effective recommendations while it remained uncertain what areas were under consideration. For the same reason we think it necessary to have some working definition of the scope of the new Department before proceeding to discuss in detail the steps to be taken with regard to its formation. If our interpretation of the intentions of the Cabinet in regard to the territorial sphere of the new Department is accepted, the Colonial Office will become the responsible British authority on all matters relating to :—

(*a.*) Administration and policy in Mesopotamia, Palestine and Aden.
(*b.*) Policy in other Arab areas within the British sphere of influence.
(*c.*) The delimitation of boundaries between British spheres and the territories of independent Arab rulers.
(*d.*) All expenditure, whether civil or military, which may fall upon Imperial funds as a result of British responsibility for and interest in the areas concerned.

17. Some of the problems arising out of this definition have been dealt with in the recommendations which we have already made. As regards (*d*), we have not considered the question of financial adjustments with the Government of India. Nor have we examined the larger question of the incidence of expenditure in respect of the Mandated territories.

There remain three questions of major importance :—

(1.) The arrangements to be made for carrying out British military policy in the Middle East, and the relations between the Colonial Office, and the War Office and Air Ministry.

(2.) The civilian Services which will be required for the Administration of Palestine, Mesopotamia, and Aden, and for political duties in other parts of Arabia.

(3.) The constitution of the new Department of the Colonial Office.

We propose to deal with each of these questions separately.

III.—MILITARY ARRANGEMENTS. RELATIONS BETWEEN THE COLONIAL OFFICE, AND THE WAR OFFICE AND AIR MINISTRY.

18. The Cabinet decisions of the 31st December last contemplate that a fundamental change shall be made in the present position whereby the War Office and Air Ministry bear the cost of military operations in Mesopotamia and have to answer for such expenditure in Parliament, while the policy is in the main laid down by other Departments. We have, therefore, to consider what should be the relationship between these two Service Departments and the Colonial Office in regard to military operations in Mesopotamia.

19. This question will of necessity be affected by the decision taken as to the force which is to be maintained in Mesopotamia. We understand that a Committee has been considering this question under the chairmanship of the Adjutant-General to the Forces, and that the general policy aimed at is to replace the bulk of the regular garrison by an effective force of armed Constabulary and certain specially raised Indian (or possibly African) units officered from the British and/or Indian Armies. We understand that it is contemplated that the Colonial Office should recruit this latter force through an officer holding a post of Inspector-General under the Colonial Office, and that the arrangements should in the main be similar to those already existing as regards the recruitment and maintenance of the King's African Rifles and West African Frontier Force. The Colonial Office would arrange direct with the War Office for the loan of officers and personnel to form the necessary cadre and would assume direct and full financial responsibility. We will return later to these proposals. The more immediate and important question is to decide upon the arrangements to be made to tide over the transition period before this eventual normal establishment is reached.

20. We have assumed that for some time it will probably be necessary to maintain in Mesopotamia a considerably larger force than this eventual establishment. It is therefore necessary to devise means for putting an end at once to the present unsatisfactory system of divided responsibility.

21. A possible solution would be for the Colonial Office to set up a complete military organization, which should be in a position to offer military advice as to the forces necessary to carry out the policy decided upon by the Secretary of State for the Colonies, and should be responsible for all the military and financial arrangements necessary to maintain troops in Mesopotamia. This suggestion does not in any way commend itself to us. It would be uneconomical to the highest degree and would involve duplication of work. Further, it is most undesirable to set up a large department to perform a task which it is hoped will be in the nature of a decreasing liability.

22. We recommend during the transitional period that the War Office and the Air Ministry should continue to be the Departments responsible for advising as to the forces required to carry out the general military policy decided upon.

We trust that the Secretary of State for the Colonies may, with the concurrence of the Secretary of State for War and the Secretary of State for Air, have the advice of the departments of the War Office and Air Ministry concerned, on all questions affecting their respective forces.

23. Further, we recommend that the War Office and Air Ministry should act as agents for the Colonial Office in maintaining such regular forces, and in conducting such military and air operations as may be required in Mesopotamia during the transitional period.

This question requires further explanation both on its financial side and in its military aspect.

24. **Financial relations.**—In its financial aspect, the War Office and Air Ministry would be responsible for including in their estimates of the cost of the Army and Royal Air Force, as a whole, the expenditure to be incurred in Mesopotamia, and would show a recovery of that sum to be made as an Appropriation in Aid to Army and Air Estimates. The Colonial Office would at a later stage present to Parliament estimates which would include an amount to be repaid to the War Office and Air Ministry in respect of this expenditure, and would charge their accounts with the amounts certified by the War Office and Air Ministry to have been expended. As far as finance is concerned, the Colonial Office would have to repay to the War Office and Air Ministry within the financial year, but if accounts were not immediately available, we should recommend the payment of advances within the year up to amounts estimated by the War Office and Air Ministry to be required: certificates of actual expenditure would be required from the War Office and Air Ministry, but the total which they were able to certify before the accounts for a given year closed, to have been expended up to the 31st March preceding, would be finally charged in Colonial Office accounts for that year.

Similar arrangements should be made in regard to the military and air expenditure of the War Office and Air Ministry, respectively, in Palestine.

25. For the purposes of securing adequate control, India Office military expenditure in respect of Indian Army troops serving in Mesopotamia should be charged in the first instance to the War Office. The latter would, therefore, include in their original estimates of cost to be incurred, and also as part of the recovery from Colonial Office, such Indian Army expenditure.

26. We consider that the Chief Financial Advisers to the High Commissioners in Mesopotamia and Palestine should be responsible for advising their respective High Commissioners in regard to expenditure generally.

27. We recommend that the financial arrangements outlined in the preceding paragraphs should take effect as from the 1st April, 1921.

28. **Relations between Civil and Military Authorities.**—We recommend that the High Commissioner in Mesopotamia should, as is customary elsewhere, have the titular rank of Commander-in-Chief, it being understood that the possession of this title will not confer on him any right to give executive commands to the troops. We recommend that the General Officer Commanding in Mesopotamia should be appointed by the War Office and Colonial Office in conjunction.

29. On matters of principle or policy in their military aspects, the General Officer Commanding in Mesopotamia should only communicate with the War Office through the High Commissioner, but he should have the right to communicate direct with the War Office on questions of intelligence, training and preparation for war, as well as on matters affecting the routine administration of the Army.

We understand that this is the arrangement suggested to regulate the relations of the Commander-in-Chief in India with the authorities at home.

It would also be well to ensure that the High Commissioner and the General Officer Commanding in Mesopotamia on the one hand and the Colonial Office and the War Office on the other should exchange regularly telegrams of mutual interest.

We think that these arrangements, which give effect to the principle of the ultimate responsibility of the military to the civil authority, will regulate satisfactorily the relations of the departments concerned, and that they should be adopted from the date on which the Colonial Office takes over the control of Mesopotamia.

30. There is however, one respect in which we would delay the application of this arrangement. We do not think it right that the Colonial Office should be called upon to assume any responsibility in regard to the military operations connected with the withdrawal of the British forces in North-West Persia.

31. We therefore recommend that the financial and military responsibility for the withdrawal of British Forces from North-West Persia should remain with the War Office until this Force has been withdrawn within the boundaries of Mesopotamia, and become subject to the ultimate control of the High Commissioner.

32. There would thus be three stages in the process by which the War Office will divest itself of responsibility for military policy in the Middle East.

(1.) The withdrawal stage during which the War Office is to retain full responsibility for the operations in Persia, until the withdrawal is complete.
(2.) The transitional period during which time the War Office and Air Ministry will act as agents for the Colonial Office in the manner indicated above.
(3.) The stage when the normal establishment has been reached. This establishment is to consist mainly of personnel under the direct control of the Colonial Office. The special forces of white constabulary and Indian (or possibly African) units would be administered and controlled by the Colonial Office. Any regular Units required in addition in the early stages would be lent by the War Office and Air Ministry as during the transitional period.

33. A similar arrangement as to the relations between the civil and military authorities is already in force in Palestine. There is, however, this difference, that the troops stationed in Egypt and Palestine are for certain purposes regarded as one force, under the Command of the General Officer Commanding-in-Chief, Egyptian Expeditionary Force, who, of course, can transfer troops from Egypt to Palestine or *vice versâ*, but delegates such powers as he thinks suitable to the General Officers Commanding in Egypt and Palestine. The High Commissioner for Palestine is titular Commander-in-Chief, and is responsible for the general policy adopted in Palestine, subject to the special limitation imposed by these circumstances.

IV.—CIVILIAN SERVICES.

34. We are asked to "recommend in outline the steps to be taken to form a Middle Eastern Service for the administration of British mandated territories in the Middle East; and for the discharge of British responsibilities in regard to them."

35. **Administration of Palestine.**—Arrangements for the formation of a Palestinian service are already far advanced. We understand that staff has been recruited by the High Commissioner on the basis of a provisional establishment, and that negotiations are now proceeding between the Foreign Office and Treasury as to the permanent grading to be adopted for the officials of the Palestine administration. It has been agreed in principle that posts in this service are to be pensionable, but the details of the pension scheme have not yet been settled. In the circumstances, we do not consider it necessary to make detailed recommendations. The final settlement of negotiations with the Treasury as to the details of the scheme would be handed over to the Colonial Office by the Foreign Office.

36. We are of the opinion that having regard to the fact that His Majesty's Government, as the Mandatory for Palestine, have undertaken to give effect to the proclaimed policy of establishing a national home for the Jewish people in Palestine, and to the special international importance of the country, it would not in any case prove feasible to combine into one service the administration of Palestine and of the other areas within the sphere of the new Department.

37. We therefore recommend that the Palestinian Service should remain distinct from whatever service it may be necessary to set up to fulfil British responsibilities in other areas of the Middle East.

38. In dealing with the civilian staff required for the other areas, we find it necessary to distinguish two main categories: first, the technical services which are necessary to carry on Government services in the settled districts, *e.g.*, irrigation and postal services, railways, customs, &c.; secondly, the officers who will be required to act as advisers to the Arab authorities. It will be convenient to deal first with the technical services.

39.—**Technical services.**—(1.) **Persian Gulf littoral.**—In paragraph 12 we have already recommended that for administrative and purely local purposes the control of the Government of India over the Arabian littoral of the Persian Gulf should be maintained.

It follows from this recommendation that the administrative and technical personnel at Koweit, Bahrein, &c., should remain under the control of the Government of India, which would continue to be responsible for questions of recruitment, &c.:—

40.—(2.) **Aden.**—The existing civil administration of Aden is carried on by members of the Bombay Political Department, &c., numbering in all about twenty-five officers:—

41. We recommend that this administrative service should be taken over and organized by the Colonial Office on the lines of, and possibly as part of, similar services under that department.

42.—(3.) **Mesopotamia.**—We understand that the technical services in Mesopotamia will, in the main, be organized as part of the Arab Government, and that officers in these services will not be in the employment of His Majesty's Government. We have not therefore made any recommendation as to these services.

43.—(4.) **Trans-Jordania.**—We would suggest that it might at some later date be found convenient for the technical services in Trans-Jordania to be administered as part of the technical services of Palestine.

44. **Advisers and Political Officers. — Mesopotamia.** — The political administration of Mesopotamia is at present being carried out by officers who have been recruited in a number of ways. Some officers have been loaned by other Governments who are now pressing for their return. A considerable number of Army officers have been seconded for definite periods. There are also a great many temporary officers who served in the East during the war and who are now engaged on a temporary basis with contracts varying for the most part from one to three years.

We understand that the High Commissioner estimates that 40 officers will be required in the immediate future for political duties, but that the number may be capable of subsequent reduction to 30.

45. We have considered whether it would be desirable to fix a definite cadre and to establish a Mesopotamian service on the lines of the Palestinian service. We think that such a step would hardly be consistent with our obligations as Mandatory for Mesopotamia, and that the proper course is for the civil administration of Mesopotamia to remain on a provisional footing. Further, the number of British officials required in Mesopotamia is at the present moment decreasing, and it seems likely that for some time to come sufficient personnel of the right quality will be available on the spot.

46. We do not therefore recommend setting up a Mesopotamian service or creating a pensionable establishment, unless it becomes clear that the necessary personnel is not obtainable on the special conditions recommended in paragraph 47. Nor do we think it necessary to suggest any special method of recruitment.

47. It will, however, be necessary to give some security of tenure to officers not loaned from parent services. We approve in principle the suggestion made by the High Commissioner for Mesopotamia, that a certain proportion of such officers should be given 5 years' engagements. Instead of a pension scheme we suggest that it would be desirable to arrange a system of gratuities payable in respect of each completed year's service, such gratuity being payable both to officers who are given 5 years' engagements and to the margin of officers whom it will be necessary to employ over and above those who are engaged for the longer period. The details of this scheme should be worked out between the Colonial Office and Treasury.

48. As regards officers loaned from parent services, special steps are essential to secure the loan of an adequate number of experienced officials for as long as may be necessary to fill a proportion of the more responsible posts. The exact conditions of engagement will have to be settled in each individual case, but we recommend that arrangements should be made in all cases to secure that service under the Mesopotamian administration will count for pension.

49. In addition to the Political Officers required for service in Mesopotamia, a certain number of officers will be needed to perform similar duties in other areas. We understand that there are at present five officers engaged on such duties in Trans-Jordania but that it may be necessary to increase the number. A certain number of officers will also be required for duty in the Aden Protectorate and on the Persian Gulf Littoral.

We are of the opinion that the officers who will be needed for political duties in these areas will have to possess the same general qualifications as the Advisers and Political Officers in Mesopotamia.

50. We therefore recommend that there should be one body of "Arab Political Officers" who should be liable for service in any part of the territorial sphere of the new Department outside Palestine. We recommend that the arrangements which are proposed in paragraphs 47 and 48 should apply to this body of officers as a whole.

V.—FORMATION OF THE NEW DEPARTMENT UNDER THE COLONIAL OFFICE.

51. The last question which we have to deal with is "the formation of the new Department under the Colonial Office" . . . . and the preparation of a time-table for the handing over to the Colonial Office of these new duties.

52. From the definitions of the scope of the new Department which we gave in paragraph 16 it is clear that the new Department must contain sections or branches capable of dealing with questions of policy, administration and finance. The existing organization of the Colonial Office does not provide the expert advice which the new Department will require. Political and administrative questions affecting the Arab areas demand a knowledge of local customs and language. To effect the desired reduction in the expenditure which has hitherto been incurred in connection with the Arab countries, a very close scrutiny and control of local expenditure will be necessary. The formation of the special forces, referred to in paragraph 19, which will be required if Imperial funds are to be relieved of the heavy cost of maintaining regular units of the British or Indian armies in Mesopotamia and Palestine will demand expert military advice.

53. We assume that the Secretary of State will exercise his control through an Under Secretary, and an Assistant Under Secretary. We do not think that it is for us to consider whether either or both of these officials will require to be specially appointed for the purposes of the new Department, or whether the duties involved in the new responsibilities of the Colonial Office will be discharged by one or other of the existing Under Secretaries and Assistant Under Secretaries. The point at which the political and administrative, military, and financial branches should separate is, in our opinion, immediately below the Assistant Under Secretary. There would be three sub-divisions, organized as follows :—

(1.) Political and Administrative—
Palestine.
Mesopotamia.
Aden and Arabia.

(2.) Military—
Relations with the War Office and Air Ministry on questions arising out of the employment of regular British or Indian units.
Organization of local troops and consequent provision of British personnel.

(3.) Financial.

54. In addition to the above general outline technical advice may be required upon such subjects as Muhammadan Law, Commerce, Public Works, &c.
It will probably be found possible for this technical advice to be provided in the main by existing branches of the Colonial Office.

55. We recommend that in forming the political and administrative sub-division of the new Department full use should be made of the services of officers with local experience, and that there should be free interchange between officers serving at home and abroad.

56. In Appendix A we present a diagram showing in outline our conception of the provisional organization required to discharge the functions that we have assigned

tentatively to the new Department. But it is clear that the accuracy of any estimate of numbers must depend upon the policy of His Majesty's Government in the Arabian sphere, and the measure of control that it is proposed to exercise from London over the actions of the authorities on the spot. In any event we recommend that steps be taken immediately to provide accommodation on an adequate scale in order to avoid the dislocation that might otherwise be caused in the early days of the new organization. While it is difficult to make any close estimate of the number of officers required, we recommend that about twelve to fourteen rooms should be made available to accommodate the staff of the new Department. The necessary steps are being taken by the Office of Works in consultation with the Colonial Office.

57. Decisions of great consequence will have to be taken in the immediate future by the Government on the recommendation of the Secretary of State for the Colonies and it is, in our opinion, essential that he should have at his disposal an adequate staff directly the new responsibilities are transferred to him, if British expenditure in the Middle East is to be reduced effectively.

58. We recommend that in the first instance the new Department should be manned by officers loaned from parent Services and that no additional permanent commitment should be incurred until the future of the new Department can be gauged with greater precision.

59. We anticipate that the arrangements for securing the loan of the personnel from their parent services, and for obtaining the accommodation required, should be completed by the 1st March next.

We therefore recommend that the transfer of the new responsibilities to the Colonial Office should become effective upon that date.

VI.—SUMMARY OF RECOMMENDATIONS.

60. **Territorial sphere of the New Department** (paragraphs 2–15).

Subject to certain reservations the sphere of the new Department to include all the territories south and east of the newly defined boundary between the French mandated territories of Syria and the British mandated territories of Palestine and Mesopotamia (paragraph 6).

Reservations are made as regards Kurdistan (paragraph 8), the Persian Gulf littoral (paragraphs 9–12) and the Hedjaz (paragraphs 13–15).

61. **Scope of the New Department** (paragraphs 16–17).—The Colonial Office to become the responsible British authority on all matters relating to :—

(*a.*) Administration and policy in Mesopotamia, Palestine and Aden.
(*b.*) Policy in other Arab areas within the British sphere of influence.
(*c.*) The delimitation of boundaries between British spheres and the territories of independent Arab rulers.
(*d.*) All expenditure, whether civil or military, which may fall upon Imperial funds as a result of British responsibility for and interest in the areas concerned.

62. **Military arrangements** (paragraphs 18-33).
Relations between the Colonial Office and the War Office and Air Ministry (paragraphs 22–23).
The financial arrangements proposed to take effect as from the 1st April, 1921 (paragraph 27).
The High Commissioner in Mesopotamia to have the titular rank of Commander-in-Chief (paragraph 28).
The responsibility for the withdrawal of British forces from North-West Persia to remain with the War Office until this force has been withdrawn within the boundaries of Mesopotamia (paragraph 31).

63. **Civilian services.**—The Palestinian service to remain distinct from other civilian services in the Middle East (paragraph 37).
The administration of the Persian Gulf littoral to remain under the control of the Government of India (paragraph 39).

Aden to be taken over by the Colonial Office (paragraph 41).

No separate permanent establishment to be created for the Mesopotamian service (paragraph 46), but one body of "Arab Political Officers," liable for service in any part of the territorial sphere of the new Department outside Palestine (paragraph 50).

64. **Formation of the New Department.**—The new Department to be manned in the first instance by officers loaned from parent services (paragraph 58).

In forming the New Department full use to be made of officers with local experience (paragraph 55).

The transfer of the new responsibilities to the Colonial Office to become effective on the 1st March next (paragraph 59).

J. E. MASTERTON SMITH, *Chairman.*
H. J. CREEDY.
H. J. READ.
R. R. SCOTT.
J. E. SHUCKBURGH.
H. W. YOUNG.

E. E. BRIDGES, *Secretary,*
31*st January*, 1921.

APPENDIX A.

PROPOSED ORGANIZATION OF THE NEW DEPARTMENT UNDER THE COLONIAL OFFICE.

[SECRETARY OF STATE FOR THE COLONIES.]

[UNDER SECRETARY.]

Assistant Under Secretary.

Political and Administrative.	Military.	Financial.
Palestine, Mesopotamia, Aden and Arabia.	Local troops. Relations with War Office and Air Ministry.	

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Appendix 2.

MEMORANDUM DRAWN UP IN LONDON BY MIDDLE EAST DEPARTMENT PRIOR TO CAIRO CONFERENCE.

MESOPOTAMIA.

Agenda.

1. Selection of ruler and his relations with His Majesty's Government under the Mandate.

WE regard the selection of an Arab ruler for Mesopotamia as an essential preliminary to the establishment of satisfactory permanent conditions in that country. This should not await the convening of the Assembly, but should be carried out by the Council of State, subject to confirmation by the Assembly when elected. We consider that Feisal should be the ruler, and that the first step is to ascertain from Sir P. Cox that he can ensure the Council of State selecting him. The High Commissioner may then be instructed to proceed accordingly. As soon as the Council have notified their choice, Feisal should be invited to proceed forthwith to Mesopotamia (N.B.—Before putting Feisal's name before the Council of State we should obtain his provisional acceptance of the draft Mandate on the understanding that as soon as the Organic Law has been brought into operation, we shall be prepared to consider any proposals the Mesopotamian Government may wish to make for readjusting their relations with His Majesty's Government.)

2. Foreign relations of Mesopotamia under the Mandate.

The Mandate provides for the control by the mandatory of the foreign relations of Mesopotamia and for defence of Mesopotamia by the mandatory from foreign attack. It follows, therefore, that pending any readjustment of relations such as is contemplated in paragraph 1, His Majesty's Government must retain control of foreign relations and remain responsible for external defence. A diminution of this responsibility is highly desirable on every ground, but it can only be secured by a corresponding relaxation of control over foreign relations. A division of control over foreign relations may be somewhat of a departure from established political theory, but the mandatory system is itself a new departure in political theory, and has introduced a new set of political problems demanding treatment for which past practice affords no perfect analogy. Mesopotamia is open to attack—

(1.) From the sea.
(2.) From French Syria.
(3.) From Turkey.
(4.) From Persia.
(5.) From (*a*) Mohammerah and (*b*) the Pusht-i-Kuh, which, though nominally part of Persia, are, in effect, independent.
(6.) From Kurdistan.
(7.) From the Arabian Desert.

As regards (1) and (2) we must clearly assume entire responsibility for defence. The position with regard to (3) must depend upon the conclusion of an arrangement between ourselves and the Turkish Nationalists. If such an arrangement is concluded, we must assume responsibility as against Turkey.

(4) is more doubtful. But the only practicable line of attack from Persia is along the Hamadan road, and we understand that this road could be defended by a comparatively small body of troops against any probable attacking force. The occupation of this line would have the incidental advantage of furnishing a hill station for British troops, well removed from the political centre of gravity in Mesopotamia.

(5.)—(*a.*) The Sheikh of Mohammerah is in an exceptional position. He has been in close and friendly relations with His Majesty's Government for many years. The interests of the Anglo-Persian Oil Company are closely associated with his territory, and depend upon his goodwill and co-operation. The maintenance of direct relations between him and His Majesty's Government appears essential, and should, in our opinion, be conducted, as before the War, through the Political Resident in the Persian Gulf at Bushire. We do not recommend that he should be placed in direct relations with the Mesopotamian Government. The risk of his attacking Mesopotamia appears to us to be negligible.

(*b.*) Pusht-i-Kuh stands on a different footing. Both from the diplomatic and the military point of view, an Arab Administration appears to us better qualified that the Mandatory Power to conduct its frontier relations with a ruler, such as the Wali.

(6.) Provided Kurdistan is not directly administered from Turkey, we consider that once its political status has been definitely determined, both the conduct of diplomatic relations with that State and the responsibility for defence against Kurdish attack, should rest with the Mesopotamian Government rather than with the Mandatory Power.

(7.) With regard to the defence of Mesopotamia from attack from the desert, we consider that the Mesopotamian Government should accept both diplomatic and military responsibility.

The effect of the above proposals would be—

(*a.*) To place the Mesopotamian Government in direct relations with, and to make it responsible for, the protection of Mesopotamia against local attacks from—

1. Pusht-i-Kuh ;
2. Kurdistan ;
3. Limitrophe Arab tribes ; and

(*b.*) To impose upon His Majesty's Government the responsibility for diplomatic and military protection of Mesopotamia against—

1. Overseas attack.
2. French Syria.
3. Turkey.
4. Persia.
5. Mohammerah.

3. Future administrative arrangements—

We assume that the British personnel employed in Mesopotamia will fall under two categories :—

(*a*) British Political officers.

(a.) *British Political Officers.*

These will consist of the High Commissioner and his personal staff, the Advisers to Arab Ministers and the Divisional Advisers and Assistant Divisional Advisers recommended by Sir P. Cox in his telegram No. 392 S of the 17th February. These officers will be under the orders of the High Commissioner and not of the Mesopotamian Government. The Divisional Advisers will normally communicate with him through the Adviser to the Ministry of the Interior, though this will not preclude them from direct communication with Advisers to other Ministries as circumstances may demand. All British Political Officers will be engaged and paid in the first instance by His Majesty's Government, whose servants they will remain. They will be regarded as members of the Political Service contemplated in the Masterton-Smith report, and will be transferable to other areas of the Middle East at the discretion of His Majesty's Government.

(*b.*) British employees of Mesopotamian Government.

(b.) *British Employees of Mesopotamian Government.*

All British civil personnel other than the advisory staff mentioned in (a) above will eventually be servants of the Mesopotamian Government, engaged and paid by them on terms to be settled by mutual agreement, subject to the concurrence of the High Commissioner. So long as the mandate is in force, His Majesty's Government must, in our opinion, accept responsibility for the due fulfilment by the Mesopotamian Government of the terms agreed upon. This will entail some provision being made for an ultimate appeal to the High Commissioner. No readjustment of relations between His Majesty's Government and the Mesopotamian Government should be contemplated which does not provide for a clause safeguarding the interests of British personnel engaged under this paragraph.

(*c.*) Judiciary.

(c.) *Judiciary.*

We recommend that Sir Percy Cox be asked to expedite submission of his recommendations on Sir E. Bonham-Carter's Memorandum.

(*d.*) Finance.

(d.) *Finance.*

4. Permanent garrison.

4. We consider that the permanent garrison of Mesopotamia for the years 1922-23, 1923-24, 1924-25 should be discussed. The forces to be considered would be British, Indian and local; the relation of the auxiliaries to the Imperial troops should be decided. The strengths, composition, distribution and housing of the troops; possible recruitment of Assyrians; the question of the respective positions of the Army and the Air Force; defence schemes, &c., will presumably be considered.

5. Immediate military economies. Time table of reduction of forces to permanent strength.

5. The Secretary of State minutes that a Sub-Committee is—

"To examine present military charges station by station, unit by unit, category by category. To formulate proposals for immediate economy, and report before Conference separates."

"Also to report on time table of reduction of present force to permanent garrison, as settled by Conference discussion on section 4 of agenda. My hope is that one third of present troops can leave Mesopotamia before the hot weather, and another third immediately after it is over."

"You should have papers and means to give rough figures of saving to Army Estimates involved in various accelerations of withdrawal. The shipping question must also be studied."

We consider that as soon as the Conference has taken its preliminary decisions a Military Sub-Committee should be set up to consider sections 4 and 5 of the agenda, and to report their findings to the Conference in time for discussion before it separates.

6. Special subjects—

(*a.*) Kurdistan.

6. We are strongly of opinion that purely Kurdish areas should not be included in the Arab State of Mesopotamia, but that the principles of Kurdish unity and nationality should be promoted as far as possible by His Majesty's Government. The extent of the area within which it will be possible for His Majesty's Government to carry out this policy must necessarily depend upon the final terms of the peace settlement with Turkey. Whatever the extent of this area may be, we consider that not only control by His Majesty's Government, but also negotiations with the Mesopotamian Government, as suggested in paragraph 2, would be facilitated if there

were some form of central Kurdish organisation to which a British Adviser could be attached. This Adviser would be under the orders of the High Commissioner for Mesopotamia, and would report through him to His Majesty's Government.

(*b.*) Amnesty for political offenders

We are of opinion that the last act of His Majesty's Government before the installation of an Arab ruler is announced should be to authorise the High Commissioner to proclaim a general amnesty for all political offences committed by Mesopotamians or Kurds since the commencement of the military occupation.

(*c.*) Refugees.

The moral obligation for maintaining the Assyrian and Armenian refugees in Mesopotamia until they can be suitably disposed of rests upon His Majesty's Government, as distinct from the Mesopotamian Government. The only practicable alternatives, short of a settlement which would enable them to return to their own homes, are, in the case of the Assyrians—

(*a.*) Transfer to the French zone;
(*b.*) Emigration to America under missionary auspices;

in the case of the Armenians—

(*a.*) Transfer to the new Armenian State;
(*b.*) Emigration to America as above.

These alternatives are under active examination, and it is hoped that one or other of them may afford a solution. Failing this, we can only suggest that they should be absorbed into the general economic life of Mesopotamia, and that the cost of their maintenance should become a civil charge and be reduced to a minimum.

(*d.*) Indian labour.

PALESTINE.

Agenda.

1. Distinction to be drawn between Palestine and Trans-Jordan under the Mandate.

His Majesty's Government are responsible under the terms of the Mandate for establishing in Palestine a national home for the Jewish people. They are also pledged by the assurances given to the Sherif of Mecca in 1915 to recognise and support the independence of the Arabs in those portions of the (Turkish) vilayet of Damascus in which they are free to act without detriment to French interests. The western boundary of the Turkish vilayet of Damascus before the war was the River Jordan. Palestine and Trans-Jordan do not, therefore, stand upon quite the same footing. At the same time, the two areas are economically interdependent, and their development must be considered as a single problem. Further, His Majesty's Government have been entrusted with the Mandate for "Palestine." If they wish to assert their claim to Trans-Jordan and to avoid raising with other Powers the legal status of that area, they can only do so by proceeding upon the assumption that Trans-Jordan forms part of the area covered by the Palestine Mandate. In default of this assumption Trans-Jordan would be left, under article 132 of the Treaty of Sèvres, to the disposal of the principal Allied Powers. Some means must be found of giving effect in Trans-Jordan to the terms of the Mandate consistently with "recognition and support of the independence of the Arabs."

...y in Palestine the ...

The general policy of the Palestine Administration calls for no observations. It is in strict accordance with the terms of the Mandate, and has been attended by the happiest results. There is however, one point on which the High Commissioner has made repeated representations and which we consider demands immediate attention. The development of the country has been seriously hampered by the reluctance of His Majesty's Government to give effect, pending the confirmation of the Mandate, to the provisions of article 11 relating to industrial concessions. We think it most undesirable that this delay should continue, and consider that cases of real urgency should be taken up forthwith.

3. Policy in Trans-Jordan under the Mandate.

Certain provisions of the Palestine Mandate are clearly inapplicable in present conditions to Trans-Jordan. At the same time the Mandate is the legal basis of our position in the country, and we must be prepared to meet possible criticism if all its terms are not literally applied to the whole territory for which we accept responsibility. The Mandate itself supplies the answer. In the first place, the preamble provides that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities. In the second place, article 3 obliges the mandatory to encourage the widest measure of self-Government for localities consistent with the prevailing conditions. We consider that these two clauses, taken in conjunction, afford adequate justification for setting up in Trans-Jordan a political system somewhat different from that in force on the other side of the river. If British promises are to stand, this system must be Arab in character. We consider that it should preferably be centralised under an Arab ruler acceptable to His Majesty's Government and acting in important matters under their advice. This would facilitate the appointment in Trans-Jordan of a responsible British Adviser acting under the orders of the High Commissioner for Palestine and reporting through him to His Majesty's Government.

4. Foreign relations.

As in the case of Mesopotamia, the Mandate provides for the control by the mandatory of the foreign relations of Palestine and for its defence against foreign attack. Financial and military considerations render it undesirable that His Majesty's Government should undertake the defence of Trans Jordan against attack from the desert or from the Hedjaz. It may prove simpler to leave it to the Arab ruler to conduct his own relations with his Arab neighbours.

5. Future administrative arrangements—

(*a.*) Palestine.

The administration of Palestine is on a different footing from any other British administration. The High Commissioner is responsible not only to His Majesty's Government, but, through them, to the League of Nations. This makes it difficult for the Palestine civil services to be assimilated to any existing British service. We consider that it should be an independent service composed of personnel engaged and paid by the Administration of Palestine.

(*b.*) Trans-Jordan.

We recommend that British personnel employed in Trans-Jordan should fall under two categories, as in the case of Mesopotamia. The British Political Officers will be regarded as members of the Arab Political Service contemplated in the Masterton-Smith Report. They will be engaged and paid in the first instance by His Majesty's Government, whose servants they will remain. The question whether there should be British employees of the Trans-Jordan Government, or whether the latter should utilise members of the Palestine service may stand over for the present.

(*c.*) Judiciary.

We do not recommend a separate judiciary for Trans-Jordan. It will probably be convenient to arrange for Trans-Jordan to

be represented on the Moslem Advisory Council which has recently been established in Palestine to control Waqf.

(*d.*) Finance.

6. Permanent garrison.

We consider that the permanent garrison of Palestine for the years 1922–23, 1923–24, 1924–25 should be discussed. The forces to be considered would be Imperial and local. The relations of the auxiliaries and the regular troops should be decided. The strengths, composition, distribution, and housing of the troops; whether there should be an Imperial garrison in Trans-Jordan; defence schemes, &c., will probably be considered.

The Middle East Department makes no recommendation on military matters at present.

7. Immediate military economies Time table of reduction of forces to permanent strength.

The Secretary of State minutes that a sub-Committee is—

"To examine present military charges station by station, unit by unit, category by category. To formulate proposals for immediate economy, and report before Conference separates."

We consider that on the analogy of Mesopotamia, as soon as the Conference has taken its preliminary decisions, a military sub-Committee should be set up to consider sections 6 and 7 of the Agenda, and to report their findings to the Conference in time for discussion before it separates.

8. Special subjects—

(*a.*) Relations between Advisory Council and elected assemblies.

It is to be anticipated that the recognition of an elected Jewish Assembly may lead in the near future to a demand by the Christian and Moslem communities for permission to elect Assemblies on similar lines. This contingency has been provided for by the High Commissioner, who made recognition of the Jewish Assembly conditional on their conforming with the terms of the Mandate. It is for consideration whether some formal relation is not desirable between such Assemblies and the Advisory Council.

(*b.*) Name of territory east of the Jordan.

If it is accepted that Trans-Jordan is to be legally included in Palestine, we consider that the terms "Palestine" and "Eastern Palestine" should be brought into use for the territories lying respectively to the west and east of the River Jordan.

Miscellaneous.

Agenda

1. Arabia—

(*a.*) Subsidies and commitments.

We concur in the general lines of the memorandum on subsidies prepared in the Foreign Office by Colonel Cornwallis on the 16th December, 1920, particularly in the principles that King Hussein and Ibn Saud should receive identical treatment; that financial obligations incurred under existing treaties or agreements should be respected; and that there is no question of immediate payment either to Ibn Rashid or to the Imam Yahya. We are not convinced that sufficient grounds exist for the payment of subsidies to the other Arab rulers who at present receive nothing, though the Resident, Aden, may have recommendations to make in the case of the Idrisi. We consider that all subsidy payments should be made monthly, in arrears, and should be conditional upon the fulfilment

by the ruler concerned of definite undertakings, such as the maintenance of pilgrim routes, the preservation of boundaries fixed by British arbitration, abstention from hostile action in certain specified directions, and exclusion of foreign influence. Failure to meet any of the conditi. ns should involve automatic stoppage of subsidy pending explanation, the burden of proof resting on the recipient of the subsidy. Apart from the possible grant of fresh subsidies, we are strongly of opinion that His Majesty's Government should incur no new liabilities or obligations of any kind, whether military, political, or financial, in the peninsula of Arabia.

(*b.*) Boundaries and arbitration.

So far as is consistent with existing treaties we consider that His Majesty's Government should undertake no responsibility which would involve the despatch of British officers into the interior of Arabia for the purpose of delimiting boundaries or settling disputes.

2. Arabian littoral of Persian Gulf.

On the assumption that the Government of India concur in the recommendations of the Masterton-Smith Committee, we are of opinion that the Resident in the Persian Gulf should at once resume control of the littoral and of relations with Ibn Saud.

3. Aden—

(*a.*) Political.

We would welcome the early establishment of neighbourly relations with the Imam, even if this necessitated a friendly readjustment of the Anglo-Turkish frontier as laid down in 1905.

(*b*) Administrative.

The final separation of Aden from India (assuming that the Government of India accept the Masterton-Smith Report) will cut off the present source of supply of British political officers from the Bombay Presidency. Aden is not large enough to support a self-contained service. For purely political duties, officers of the Arab Political Service will be available, but some other source of supply must be looked to for the administrative staff. The solution may be found in the linking of Aden with the neighbouring protectorate of Somaliland.

4. Possible linking of Somaliland and Aden administrative services.

We do not suggest that the present administration of Somaliland should be altered or modified in any way. It may however prove convenient for the administration of Somaliland to take the place of the Government of Bombay as the administrative authority for Aden. This would necessitate the separation of the civil and military functions which are at present combined in one individual at Aden, and the appointment of a civil functionary there directly responsible to the Governor of Somaliland for administrative questions. He should have a member of the Political Service on his personal staff, and would communicate direct with the Colonial Office on all political questions affecting the Aden hinterland and adjoining territory. His position would thus be analogous to that of the Political Resident in the Persian Gulf if, as recommended by the Masterton-Smith Committee, the latter is made responsible to one authority in respect of his administrative, and to another in respect of his political functions. Whether the military command at Aden should be combined with that of Somaliland or not is a question on which this Department are not competent to advise, but the Somaliland Department have furnished a separate memorandum in which they point out that there are strong objections to this course.

Appendix 3.

PROGRAMME FOR CONFERENCE AT CAIRO.

THE Conference will meet for the first time on Saturday, the 12th March. At the first meeting, which will be presided over by the Secretary of State, a general outline will be given of the programme to be followed. A Committee will also be formed to examine military and financial questions. It is essential that this Committee should be given certain data upon which to work. These data must depend in a varying degree upon political considerations. At the first meeting on Saturday the 12th, as soon as the Military and Financial Committee has been formed, the first item on the political agenda will be discussed by the Conference. The Committee will immediately start work on the details arising out of the conclusions of the Conference, a Financial Sub-Committee being formed at the discretion of the Chairman (Lieutenant-General Sir W. Congreve, V.C.). The political members of the Conference will at the same time be formed into one or more Political Committees, which will proceed to the discussion of the succeeding items on the political agenda. The Committees will thus be sitting simultaneously, the Political Committee being always in advance of the Military and Financial, which can refer to them any points upon which the data given need amplification. The full Conference will thereafter be called by the Secretary of State as and when necessary to consider any question affecting all three aspects of the matter under discussion.

Appendix 4.

LIST OF MEMBERS OF THE CONFERENCE, BY MISSIONS.

British Mission—	
The Right Honourable Winston Spencer Churchill, M.P.	Secretary of State for Colonies.
Air-Marshal Sir Hugh Trenchard, K.C.B., D.S.O.	Chief of Air Staff.
Lieutenant-General Sir Walter Congreve, V.C., K.C.B.	Chairman of the Military Committee.
Sir George Barstow, K.C.B.	His Majesty's Treasury.
Major-General Sir P. P. de B. Radcliffe, K.C.M.G., C.B., D.S.O.	Director of Military Operations, War Office.
J. B. Crosland, Esq.	Director of Finance, War Office.
Sir Archibald Sinclair, Bart.	Private Secretary to the Secretary of State.
Lieutenant-Colonel B. H. Waters-Taylor, C.B.E.	Secretary of the Military Committee.
Colonel T. E. Lawrence	Middle East Department.
Major H. W. Young, D.S.O.	" "
Wing-Commander E. L. Gossage, D.S.O., M.C.	Staff Officer to Chief of Air Staff.
G. Myrddin-Evans, Esq.	Private Secretary to Sir G. Barstow.
R. D. Badcock, Esq., M.C.	Secretary to the Conference.
Mesopotamian Mission—	
Sir Percy Cox, G.C.I.E., K.C.S.I.	High Commissioner, Mesopotamia.
Lieutenant-General Sir J. A. L. Haldane, K.C.B., D.S.O.	G.O.C. Mesopotamian Expeditionary Force.
Major-General Sir Edmund Ironside, K.C.B., C.M.G., D.S.O.	G.O.C. Forces in Persia.
Major-General E. H. de V. Atkinson, C.B., C.M.G., C.I.E.	Adviser of Works and Communications, Mesopotamia.

S. H. Slater, Esq., C.I.E.	Financial Adviser, Mesopotamia.
Miss Gertrude Bell, C.B.E.	Political Secretary, Mesopotamia.
Colonel J. H. K. Stewart, D.S.O.	General Staff ("A" Branch) Mesopotamian Expeditionary Force.
Colonel G. R. Frith, C.M.G., D.S.O., R.E. ...	General Staff ("Q" Branch) Mesopotamian Expeditionary Force.
Wing-Commander Burnett, C.B.E., D.S.O., R.A.F.	Mesopotamia.
Major J. I. Eadie, D.S.O.	Acting Adviser to Ministry of Defence, Mesopotamia.
Consultative Members—	
Sir Arnold Wilson, K.C.M.G., D.S.O. ...	Anglo-Persian Oil Company.
Colonel K. Cornwallis, C.B.E., D.S.O. ...	Egyptian Ministry of Finance.
Lieutenant-Colonel P. C. Joyce, C.B.E., D.S.O.	Adviser to Ministry of Defence, Mesopotamia.
Major E. W. C. Noel, C.I.E., D.S.O. ...	
Ja'afar Pasha el-Askari	Minister of Defence, Mesopotamia.
Sassoon Effendi	Minister of Finance, Mesopotamia.
Persian Gulf Mission—	
Colonel A. P. Trevor, C.S.I., C.I.E.	Resident in the Persian Gulf.
Aden Mission—	
Major-General T. E. Scott, C.B., C.I.E., D.S.O.	Resident and G.O.C., Aden.
Major Barrett, C.I.E.	First Assistant.
Somaliland Mission—	
Sir Geoffrey Archer, K.C.M.G.	Governor of Somaliland.
Major Jebb	District Commissioner, Berbera.
Palestine Mission—	
The Right Honourable Sir Herbert Samuel, C.B.E.	High Commissioner for Palestine.
Lieutenant-General Sir Walter Congreve, V.C., K.C.B.	G.O.C., Egypt Expeditionary Force.
Air Vice-Marshal Sir G. Salmond, K.C.M.G., D.S.O.	Commanding Middle East Brigade, R.A.F.
W. H. Deedes, Esq., C.M.G., D.S.O. ...	Civil Secretary, Palestine.
Major the Honourable F. R. Somerset ...	British representative Trans-Jordania.
Captain F. G. Peake	Commandant Gendarmerie Trans-Jordania.

SECTION II.—MESOPOTAMIA.

Appendix 5.

AGENDA FOR DISCUSSIONS ON MESOPOTAMIA.

Political Agenda 1.

THE first consideration is the immediate reduction of British military commitments in Mesopotamia. No local interest can be allowed to stand in the way of an immediate programme for reducing the British Army of Occupation. Whatever may be the political status of the country under the mandate, it is out of the question that forces of anything approaching the present dimensions should be supported in Mesopotamia by the British tax-payer. The Conference will consider whether a substantial reduction of say one-third of the existing forces can be made before the hot weather, basing their discussions on the following general assumptions :—

(*a.*) That the area to be controlled will be that for which a mandate has been accepted by His Majesty's Government under the Turkish Treaty.
(*b.*) That it is unnecessary to take into account the possibility of organised military attack from outside this area.
(*c.*) That military commitments outside Basrah. Baghdad and Mosul and the lines of communication between these centres should be reduced to a minimum, internal tranquillity being promoted so far as possible by political means.
(*d.*) That no force should be retained merely for the purpose of collecting revenue.
(*e.*) That British Political Officers will not be stationed at places off the main lines of communication where they will need the support of detachments of Imperial troops.

The first point for the Military Committee to consider will be from what garrisons and in what order this immediate reduction can be made.

There appear to be three possible alternatives :—

(i.) To reduce to a minimum the forces now in occupation of the Euphrates line Basrah to Musayib and from Musayib to Hit.
(ii.) To reduce to a minimum the forces now in occupation of the Mosul vilayet with those which are employed in maintaining lines of communication from Baghdad to Mosul.
(iii.) To preserve in skeleton the forces now in occupation of the whole country, reducing proportionately from every garrison.

In order to decide which of these alternatives shall form the basis of the detailed recommendations of the Military Committee it will be necessary for the Conference to discuss briefly their political aspect. This is a question which can be considered independently of the political steps which we propose to take in the future.

Military Agenda 1.

The Committee will discuss three alternatives outlined in paragraph 1 of the Political Agenda, having due regard to the political views expressed at the first meeting of the Conference. In addition to outlining a programme for the immediate withdrawal of a substantial part of the force in Mesopotamia they will consider the following points :—

(*a.*) Proportion of British to Indian troops to be withdrawn.
(*b.*) Limitations imposed upon the withdrawal by the necessity for guarding the flank of the Norperforce.
(*c.*) Shipping programme.
(*d.*) Alternative merits of rail and river line of communications with Baghdad.
(*e.*) Desirability or otherwise from the military point of view of entrusting to Arab forces the duty of guarding one or other line of communications.

(*f.*) Co-operation and respective rôles of military and air forces, and provision of aerodromes.
(*g.*) Recruitment and organisation of Arab forces.
(*h.*) Possible recruitment of Assyrian refugees.
(*i.*) Provision of additional aircraft.
(*j.*) Handing over of military stores and munitions to Mesopotamian Government.
(*k.*) Time-table of withdrawal of British and Indian units.

Financial Agenda 1.

The Sub-Committee will consider the following points :—

(*a.*) They will examine present military charges station by station, unit by unit and category by category, distinguishing between purely military charges and those arising from ancillary and non-military services.
(*b.*) They will formulate proposals for immediate economies in respect of the forces which will remain in the country after the first withdrawal is complete.
(*c.*) They will prepare rough figures of the saving to Army Estimates involved in the first withdrawal and also in the economies outlined in (*b*).
(*d.*) They will prepare a rough budget showing which items should be regarded as purely military and which items should be regarded as civil and administrative charges.
(*e.*) They will consider the question of a capital expenditure, and discuss the possibility of capital vote being required to meet non-recurring expenditure on such items as construction of barracks, provision of aircraft, &c.

Political Agenda 2.

The second consideration is the further substantial reduction during the present financial year of the British forces in Mesopotamia. This cannot well be considered independently of the political future of the country, as the garrison so reduced would be dangerously small unless satisfactory conditions had been, or were in process of being, established at the time. It is generally agreed that no satisfactory conditions can be established in Mesopotamia without the prior formation of a local Government of real prestige and authority. The form which this Government shall take must therefore be discussed and the following points considered :—

(*a.*) Whether there is to be an Arab ruler or not.
(*b.*) If there is, whether he should be a member of the family of the Sherif of Mecca.
(*c.*) If so, whether there is any member of that family who is clearly preferable to all others, both from the British point of view and from that of the people of Mesopotamia.
(*d.*) Whether the Arab ruler should be selected by His Majesty's Government or by the Arab Council of State.
(*e.*) Whether it is desirable or necessary that the National Assembly should meet before the ruler assumes office.
(*f.*) Whether he should offer himself as candidate or whether he should be invited by Mesopotamia to accept office.
(*g.*) At what stage the offer or invitation should be made.
(*h.*) On what date he should proceed to Baghdad to take up his position as ruler of the country.

Before entrusting to the Military Committee the task of compiling a programme for the withdrawal of the second portion of the British forces now in Mesopotamia, it will be necessary to discuss what prospect there is of it being possible to assume that by the end of the present hot weather the further withdrawal can proceed without danger of interference by local elements.

Military Agenda 2.

(*a.*) Proportion of British to Indian troops to be withdrawn.
(*b.*) Replacement by local and air forces of all remaining garrisons in Mosul vilayet.

(*c.*) Shipping programme.
(*d.*) Alternative merits of rail and river line of communications with Baghdad.
(*e.*) Desirability or otherwise from the military point of view of entrusting to Arab forces the duty of guarding one or other line of communications.
(*f.*) Questions of command, air or military, and respective rôles of military and air forces.
(*g.*) Recruitment and organisation of Arab forces.
(*h.*) Possible recruitment of special Assyrian refugees.
(*i.*) Provision of special aircraft.
(*j.*) Handing over of military stores and munitions to Mesopotamian Government.
(*k.*) Time-table of withdrawal of British and Indian units.

FINANCIAL AGENDA 2.

Preparation of rough figures of further saving to Army Estimates involved in the second withdrawal.

POLITICAL AGENDA 3.

Assuming that the Conference have reached general agreement on the points relating to the form of the future local government of Mesopotamia, it will be necessary to discuss the relative positions of His Majesty's Government and the Mesopotamian Government under the mandate. It is not anticipated that an annual contribution of more than 5,000,000*l.* will be available from Imperial revenues for military expenditure in Mesopotamia for the years 1922–23, 1923–24 and 1924–25. The Military and Financial Committee will be asked to consider the composition and distribution of a permanent garrison based on these figures. In order to provide them with the additional data necessary for this discussion, the following political questions will first be considered, either by the Conference or by a Political Committee :—

(*a.*) Whether any modification in the terms of the mandate is desirable from the point of view of His Majesty's Government.
(*b.*) Whether the Mesopotamian Government are likely to demand any modification from their own point of view.
(*c.*) Whether a possible Arab ruler should be asked to accept the mandate as it stands before assuming office.
(*d.*) Whether we should be content with his provisional acceptance, on the understanding that as soon as the Organic Law has been brought into operation proposals might be considered for a readjustment of relations between His Majesty's Government and the Mesopotamian Government.
(*e.*) Whether such a readjustment should include a modification of the existing provisions by which the Mandatory controls the foreign relations of Mesopotamia and accepts responsibility for its defence.
(*f.*) If so, in what direction should His Majesty's Government be prepared to relax their control of foreign relations and thus diminish their own responsibility for defence.
(*g.*) To what extent should the Mesopotamian Government accept full responsibility for maintenance of internal order.
(*h.*) At what places in Mesopotamia should any British Imperial garrison be stationed, from a political point of view.
(*i.*) Political arguments for the addition to the local forces of the following alternative garrisons :—

(1.) British regular.
(2.) Air Force.
(3.) Indian regular.
(4.) British irregular or special constabulary.
(5.) Indian volunteers.
(6.) African or other foreign units.
(7.) Assyrian units.
(8.) Yemeni or other Arab units.

MILITARY AGENDA 3.

(*a.*) Composition of permanent garrison.
(*b.*) Distribution.
(*c.*) Command, air or military.
(*d.*) Relations between Mesopotamian Government, High Commissioner and G.O.C.
(*e.*) Time-table of reduction to strength of permanent garrison.

FINANCIAL AGENDA 3.

(*a.*) Comparative cost of alternatives (1) to (8) under head (*i*) of Political Agenda.
(*b.*) Rough budget estimates for years 1922–23, 1923–24, 1924–25.

Appendix 6.—Mesopotamia: Political.

FIRST MEETING OF THE POLITICAL COMMITTEE.

MARCH 12, 1921.

Present:

The Right Hon. Winston Spencer Churchill, P.C., M.P.
Sir Percy Cox, K.C.I.E., K.C.M.G., &c.
Major H. W. Young.
Miss Gertrude Bell, C.B.E.
Colonel T. E Lawrence.
Mr. R. D. Badcock (*Secretary*).

Political Agenda (1).

The Chairman explained that as Sir Percy Cox and General Haldane had already arrived at general agreement on the preliminary withdrawal of troops from Mesopotamia, it was unnecessary for the Committee to discuss the three alternatives detailed in the Agenda.

Political Agenda (2).

On the invitation of the Chairman, *Sir Percy Cox* described the steps which he had found it necessary to take when he arrived in Mesopotamia. It had been essential to set up some form of Provisional Government at once, and he had invited the Naqib to form a Cabinet. This Council was not only provisional, but nominated, and it was impossible for Mesopotamian affairs to be conducted by it indefinitely. He felt that he could not return to the country and let it be known that another long delay must ensue before the replacement of the Provisional Council of State by some more competent authority. It was generally agreed that this authority must be a ruler, and the following alternative candidates have been mentioned at one time or another :—

(1.) The Naqib.
(2.) Sayed Talib.
(3.) Sheikh of Muhammarah.
(4.) Ibn Sa'oud.
(5.) Agha Khan.
(6.) Bourhan Ed Din (Turkish Prince).

With regard to the first of these, he was convinced that local opinion would never agree on a local candidate, and did not think either had a chance. As regards the Sheikh of Muhammarah, although the fact that he was a Persian subject would not of itself preclude him from consideration as a candidate, Sir Percy Cox did not consider that at present he commanded any very large following. Ibn Sa'oud seemed to him out of the question, if only for religious reasons. He did not

recommend the selection of the Agha Khan, who would, in any case, be unlikely to accept office. There was now reason to think that the demand for a Turkish Prince had been due to specific propaganda by Nihad Pasha, which had since died out. In any case, he presumed that the selection of a Turk could not be considered. There remained as the last alternative a member of the family of the Sherif of Mecca. This solution would, he thought, be welcomed by the majority of Mesopotamians, provided that it was not too obvious that he was being nominated by His Majesty's Government. All the machinery for the election of the National Assembly was in full swing, and if necessary it was possible that within six weeks of his return to Mesopotamia the Assembly would meet and be ready to vote. The question of the date of the elections was however materially affected by the incidence of the month of Ramadan (the 8th May to the 8th June).

The Chairman asked whether it was really necessary for the elections to precede the selection of a ruler. He also enquired whether we could really be bound by the decision of the Assembly, as was apparently contemplated in a recent telegram from Baghdad. If the British Government were to spend money on Mesopotamia they could not be expected to acquiesce to the selection of whatever ruler the Assembly might choose. They must insist on the candidate's name being put before them at some stage for their approval. This could not really be done after a Legislative Assembly had voted for him.

Replying to Colonel Lawrence, *Sir Percy Cox* said that, unless any more speedy solution was raised, the selection of a ruler would undoubtedly become an election issue, but that it was common knowledge that our approval of the nominee was essential, and the people wanted a lead from us if possible.

The Chairman pointed out that it was unprecedented for a Legislative Assembly, which was theoretically a Government body, to elect the King of the country, and he strongly deprecated the idea. Sir Percy Cox explained that this was not a Legislative Assembly, but a Special Congress called for the purpose of deciding the form of the future Government (*i.e.*, monarch or republic, &c.), and if a monarchy then to express their views as to the ruler. He (the Chairman) suggested as an alternative to selection by the National Assembly the immediate formation of a constituent body which could be approached by any candidate approved of by His Majesty's Government, and which could express a representative opinion for consideration by the Mandatory. Such a body might be to some extent composed of local men of affairs who would suffer by a British evacuation. It should include notables from all parts of the country, and should represent all shades of local opinion. It might number as many as 100 persons. Replying to Miss Bell, he agreed that a place should be found in it for prominent rebel leaders. He emphasised the necessity for a unanimous decision. Before proceeding to discuss the exact method by which the approved candidate should place his name before the Constituent Assembly, he would be glad to hear the arguments in favour of Sherif Faisal, as opposed to Sherif Abdullah. He asked Sir Percy Cox to explain the reasons why among the sons of the Sherif Faisal was preferable to the others from the Mesopotamian point of view.

Sir Percy Cox replied that he considered Faisal's previous experience during the war placed him in the best position for raising an army quickly, and his experiences with the Allies made him better qualified as a ruler than his brothers.

Colonel Lawrence supported the candidature of Amir Faisal not only from his personal knowledge of and friendship for the individual, but also on the ground that in order to counteract the claims of rival candidates and to pull together the scattered elements of a backward and half civilised country, it was essential that the first ruler should be an active and inspiring personality. Amir Abdullah was lazy, and by no means dominating.

The Chairman pointed out that a strong argument in favour of Sherifian policy was that it enabled His Majesty's Government to bring pressure to bear on one Arab sphere in order to attain their own ends in another. If Faisal knew that not only his father's subsidy and the protection of the Holy Places from Wahabi attack, but also the position of his brother in Trans-Jordan was dependent upon his own good behaviour, he would be much easier to deal with. The same argument applied *mutatis mutandis* to King Hussein and Amir Abdullah. The French Government had tried to convince him that by adopting a Sherifian policy he would risk being destroyed, like Frankenstein, by a monster of his own creation.

Colonel Lawrence thought that perhaps the French point of view was unduly coloured by their own experiences in Syria. He did not himself anticipate that a Sherifian policy would have this effect on British interests. Miss Bell agreed, and pointed out that the only pan-Arab propaganda which was at all likely to make headway was the Sherifian propaganda. It was much better to turn this to our own use than to leave it as a potential enemy.

The Committee briefly discussed the question of amnesties, and were in agreement that at some stage to be decided by Sir Percy Cox, a general amnesty for all political offenders should be proclaimed by His Majesty's Government. The question of the date for this proclamation and of the successive stages by which the French Government, the Amir Faisal, and the Mesopotamian Government should be informed that, if the Amir Faisal decided to offer himself, and was favoured by the people of Irak, His Majesty's Government would offer no obstacle to his selection, was reserved for further discussion.

SECOND MEETING OF THE POLITICAL COMMITTEE.

MARCH 13, 1921.

Present:

The Right Hon. Winston Spencer Churchill, P.C., M.P.
Sir Percy Cox, K.C.I.E., K.C.M.G., &c.
Major H. W. Young.
Miss Gertrude Bell, C.B.E.
Colonel T. E. Lawrence.
Mr. R. D. Badcock (*Secretary*).

The Committee had before them the Minutes of the preceding meeting of the Political Committee;
A telegram drafted by the Chairman to the Prime Minister;
A time-table drawn up by Sir Percy Cox on the procedure to be adopted in the event of the appointment of the Sherif Faisal (see Annexure).

The Chairman read over a draft telegram to the Prime Minister, which he had prepared from the previous meeting as a result of the discussion of the previous day. In response to a suggestion by Sir Percy Cox, the wording of the telegram with regard to "British support" of the Sherif Faisal was slightly amended and made somewhat less committal. Other slight amendments were made, notably "in response to enquiries from adherents of the Emir Faisal," and the telegram was then agreed to by all present.

The Chairman decided to withhold the despatch of the telegram pending further decisions by the Military Committee. He remarked that if he received favourable replies to the queries raised in his telegram he felt sure that he could rely upon Colonel Lawrence to persuade the Sherif to act according to the suggestions. He then enquired whether it was necessary for the Council of Notables to be formed, and Sir Percy Cox replied that, in his opinion, the procedure already adopted must be carried out, unless a more prompt method of obtaining an expression of the wishes of the people could be devised.

Sir Percy Cox then produced a suggested time-table to carry into effect the procedure recommended in the telegram to the Prime Minister.

The Chairman agreed that it would be desirable that the Sherif Faisal should arrive about Ramadan (the 8th May to the 8th June). It was generally agreed that it was unnecessary for the Council to be first asked to give its views upon the appointment of the Sherif, and it was felt that his presence in Irak would have such an inspiring effect upon the majority of the population that there was little fear of any opposition to his candidature. It was impossible to give the Sherif a definite assurance to this effect, but he must take his chance.

Miss Bell stated that Sayed Talib might be expected to offer a certain amount of opposition, but it was probable that this would be negligible when contrasted with the acclamation with which it was anticipated the Sherif would be received.

Colonel Lawrence suggested that it would be inadvisable for the Sherif Faisal to make any announcement as to the modification of the Mandate, or the insertion of a saving clause for the future until he delivered his speech from the throne. He emphasised that it was most undesirable that the Sherif should in any way carry on an election campaign in person, and that it was desirable to proceed on the probable assumption that he would be received with unanimous approval.

The Chairman thought that Sherif Faisal should himself come to Irak, rather than that he should send Haddad or some other person to represent him. He suggested that Sir Percy Cox should continue his programme, for the period subsequent to the arrival of the Sherif in Irak, and that he should submit it at the next meeting of the Committee. He trusted that immediate signs of the approval of the people would be manifested.

In reply to a question by the Chairman, *Miss Bell* stated that she considered that the only possible opposition to be anticipated might be a movement in favour of the formation of a Commonwealth under the Presidency of the Naqib.

The Chairman suggested that Ja'afar Pasha and Sassoon Effendi should be called, and that their opinion should be asked on telegram No. 25 of the 10th March, 1921, from the Acting High Commissioner, to which it was necessary to send some reply.

Sir Percy Cox anticipated that Ja'afar Pasha would agree that whichever candidate received the support of His Majesty's Government would succeed. He added that he anticipated that Sassoon Effendi would have preferred to postpone a definite decision as to a ruler for three years, but that he had been inclined to the suggestion for the appointment of a Turkish Prince. Ja'afar Pasha was unable to be present, but Sassoon Effendi was called, and an agreed reply prepared to telegram No. 25 above referred to. The subject of Faisal's candidature was not broached.

THIRD MEETING OF THE POLITICAL COMMITTEE.

MARCH 14, 1921.

Present:

The Right Hon. Winston Spencer Churchill, P.C., M.P.
Sir Percy Cox, K.C.I.E., K.C.M.G., &c.
Major H. W. Young.
Miss Gertrude Bell, C.B.E.
Colonel T. E. Lawrence.
Mr. R. D. Badcock (*Secretary*).

The Committee had before them the Minutes of the second meeting of the Political Committee;
A revised time-table prepared by Sir Percy Cox on the suggestion of the Chairman at the previous meeting.

The question of the foreign relations of Irak under the Mandate was discussed, and it was pointed out that the Mandatory Power was responsible for defending the country from external attack, as well as for the control of its foreign relations. *Major Young* suggested that it might be possible for the Mesopotamian Government to conduct its own foreign relations with limitrophe States. *Sir Percy Cox* agreed that the proposal was worthy of consideration, but he stated that until the new ruler was appointed it was a little difficult to formulate definite proposals. He thought, however, that if the future ruler had a British adviser it might be possible to allow him to deal up to a certain point with the Wali of Pusht-i-Kuh, Ibn Saud, the Shammar and the Wahabi. *The Chairman* considered that the time was premature to deal with this matter, particularly as it would be impossible for any department other than the Foreign Office to be responsible for relations with Persia. While the suggestion might facilitate relations with limitrophe Arab tribes, the responsibility for the defence of Mesopotamia in this direction must for the present remain with the British military authorities.

The whole position could be reviewed in October.

The Committee then considered the annexed time table, as revised by Sir Percy Cox, on which a general agreement was reached. *The Chairman* hoped that it might be possible to obtain the approval of the Cabinet before the Conference had completed its sittings, and it was agreed that the following should be inserted in paragraph 4:—

> "Confirmation by the Secretary of State if approval had not already been secured from the Cabinet."

The Chairman observed that as officials of the High Commissioner's Staff were unaware of the proposals which had been agreed to at the Conference it might be possible that certain persons, notably Sayed Talib, might be carrying on personal propaganda with a view to securing the throne, and he suggested that Sir Percy Cox should draft a telegram to the Acting High Commissioner informing him that he should instruct his Staff that all members of the Government should use their best endeavours to promote the policy to be adopted. The telegram was, of course, extremely secret, and it should only be communicated to those whom the Acting High Commissioner considered necessary. But it should be clearly laid down that advisers must, as far as possible, be responsible for the actions of Ministers.

Major the Hon. F. R. Somerset was then called, and the Chairman briefly explained to him the decisions which had been arrived at during the preceding meeting of the Political Committee. Major Somerset agreed that there was no other alternative to the appointment of a Sherif, but he considered that it would nevertheless be difficult to control anti-French propaganda in Trans-Jordania, owing to the fact that Sherifian supporters in Trans-Jordania came from the French zone. He considered that these were far more concerned with the future of Damascus than of Baghdad. He pointed out the difficulties which would be met in countering anti-French propaganda, owing to the methods adopted by our Allies.

In reply to a question by the Chairman, *Major Somerset* gave his opinion that it would be impossible to effect greater control over propaganda, unless troops were supplied. He considered that it would be unlikely that the Sherif Abdullah would be able to check anti-French feeling. *Colonel Lawrence* suggested that it would be well to ask the Sherif Abdullah for his advice on the situation. *Major Young* suggested that it should be made clear to Abdullah that he was being consulted not as representing the Hedjaz, but as a member of the Sherifian family, as it was most undesirable to give the Hedjaz a voice in the discussion on Trans-Jordania. *Colonel Lawrence* was of opinion that Sherif Abdullah would not remain long in Trans-Jordania. He doubted whether another representative of the family would come there whilst Abdullah was there, and His Majesty's Government must be to some extent dependent upon his good graces.

Major Somerset stated that we should have complete control if there were a small force of British troops, say one squadron of cavalry, in the country, and if two guns (not necessarily of British make) were given to the local forces. *The Chairman* observed that it would be advantageous if we could have a Sherif in Trans-Jordania whom we could control without troops. *Major Somerset* was of opinion that no control was possible without troops, and the Chairman preferred that the matter should be left until the arrival of Sir Herbert Samuel, but that in the meanwhile Major Somerset should discuss the matter with Sir Walter Congreve. Major Somerset then left the meeting.

Sassoon Effendi and Ja'afar Pasha were then called. *The Chairman* explained to them the meeting had very closely examined the political situation, and were inclined to the view that of the several candidates in the field Sherif Faisal seemed the choice calculated best to serve the interests of Irak and the general policy of Great Britain in Arabia. It was suggested that possibly His Majesty's Government might feel inclined (if the people of Irak wanted him) to make an announcement that they would put no obstacle in Faisal's way, and if he were chosen by the people, would give him their support. *The Chairman* observed that there might be other candidates who might also receive support from His Majesty's Government, though, similarly, there might be candidates who could not receive that support, and it was essential that, whoever the ruler was, he must have the support of the Mandatory Power. He thought that it might be to the general advantage of the people of Irak if a policy on the lines of the association of the Sherifian family with the British

Government were followed in that country, and he pointed out that His Majesty's Government were anxious not only to establish peace and prosperity in the country, but also to give every assistance to the people. It was difficult at the moment to see another alternative to this proposition, though it was possible that the view of the people might focus in a different manner. He would be glad of the views of Sassoon Effendi and Ja'afar Pasha. *Sassoon Effendi* considered that there was no objection to the candidature of the Sherif, but he thought that there might be some who would oppose him. *Ja'afar Pasha* remarked that he thought it was essential that the Sherif should visit the country in person, and in reply to a question by the Chairman, he added that it was highly desirable that he should arrive before the forthcoming election. *Sassoon Effendi* stated that the Naqib and Sayed Talib might use propaganda against the Sherif, and he was doubtful whether they would support him, even if the Sherif communicated his desire to work in conjunction with them. He thought that it was quite possible that the Naqib and Sayed Talib would resign from their posts when they knew of the decision, even if a message were received from the Sherif that he in no way wished to disturb the present Government. He felt that the Shiahs would support the proposal.

Ja'afar Pasha had often heard people say that they did not dare to mention their desire for the appointment of a member of the Sherifian family, as when they had done so previously the British Government had taken steps against them. Turkish propaganda had been somewhat active of late, but he thought there was no question of it ever receiving the support of the Shiahs.

Both Sassoon Effendi and Ja'afar Pasha agreed that the case of Ibn Saud could not be considered, and they were of opinion that of the three men whom they considered as the most prominent candidates, namely, Sayed Talib, the Naqib and the Sherif Faisal, the last named would be the most welcome to the country at large.

ANNEXURE.

TIME-TABLE.

1. Secretary of State leaves Egypt, and High Commissioner leaves for Baghdad	March 31.	Th.
2. High Commissioner arrives Basrah	April 12.	Tu.
3. High Commissioner arrives Baghdad	April 16.	Sat.
4. Confirmation by Secretary of State, if approval not already secured from Cabinet.		
5. Announcement of sentences of Military Courts and decision of His Majesty's Government to grant general amnesty for persons interned or exiled in connection with the disturbances of 1920, with one or two exceptions	April 18.	Mon
6. Sherif Faisal would have arranged to arrive at Mecca about the same date. He would after about a week, say on the 23rd, telegraph to Nuri, Ja'afar and any other influential friends of his, saying that, having been repeatedly urged by his friends to come to Mesopotamia, and the British Government, in reply to his enquiries, having informed him that if the people of Mesopotamia wanted him they were not disposed to stand in his way, he had discussed the matter with his father and brothers and had decided to offer his services to Irak. That he was writing more fully the platform on which he was prepared to stand, but that he was prepared to accept the terms of the mandate as laid before the League of Nations, provided that the British Government would agree to an additional clause making it possible that, by understanding between the parties, the terms of the mandate could be modified at any time after the passing of the law of the Constitution and its approval by the League of Nations, into the form of a treaty, providing on the one hand for the continuance of the help and support of the mandatory, and on the other for the adequate safeguarding and maintenance of the latter's special interests and privileged position in Irak.		
He would also send tactful telegrams to Naqib and Saiyid Talib, saying that he hoped he would have their support and personal participation in the Government of the country	April 23.	Sat.
7. Having seen the primary effect of this from his friends, Faisal would send a representative, or come himself, to Mesopotamia during Ramadan	May 8 to June 8	
8. It is expected that Faisal's announcement, followed by his arrival in the country, would result in such a definite expression of public feeling on his behalf as would make it unnecessary for us to ask the Congress to discuss the question of the ruler; they would simply confirm directly or indirectly his nomination.		
9. Having done this, Faisal would dissolve the present Provisional Government, *i.e.*, the Council of Ministers, and call the Naqib, or someone else, to form a Cabinet.		

Appendix 7.—Mesopotamia: Military.

FIRST MEETING OF MILITARY COMMITTEE.

MARCH 12, 1921.

Present:

Lieutenant-General Sir W. Congreve (*President*).
General Haldane.
General Radcliffe.
General Atkinson.
General Ironside.
Air-Marshal Trenchard.
Air-Vice-Marshal Salmond.
J. B. Crosland, Esq.
Colonel Stewart.
Colonel Frith.
Colonel Slater.
Wing-Commander Gossage.
Wing-Commander Burnett.
Major Eadie.
Lieutenant-Colonel Waters Taylor (*Secretary*).

The following proposals are made on the assumption that it is unnecessary for the G.O.C.-in-C. in Mesopotamia to take into account the possibility of organised attack or intrigue from outside or serious internal disturbance. It is understood that any reinforcements required to deal with such emergencies, if and when they arise, would have to be provided for from elsewhere.

2. The G.O.C.-in-C., Mesopotamia, agreed that all outlying detachments could be withdrawn and the troops concentrated on the line Mosul–Baghdad–Basra, provided internal security and the maintenance of order outside the areas of operation of the garrisons become the responsibility of the Civil Government, supported by the Royal Air Force (*vide* Air-Marshal's paper).

On the assumption given above, the G.O.C.-in-C., Mesopotamia, agrees that the Army of Occupation can be reduced to twenty-two battalions of infantry, plus certain units of other arms as shown in the attached Table III.

The limiting factor in the speed of reduction is at present that of shipping available at Basra. The Committee draw attention to the fact that while four battalions per week could have been shipped from Basra, commencing the 15th February last, shipping for approximately three per week only has been forthcoming. In addition to units approximately, there are some 23,000 demobilisable Indian sepoys and Indian labourers to be shipped oversea. At the present rate at which ships are becoming available, the units and men and the units from North-West Persia now awaiting transport will not be cleared off before the 15th August next.

3. The proportion of British and Indian troops it is proposed to withdraw is as follows:—

4 British battalions.
7 Indian battalions.
1 British cavalry regiment.
3 Indian cavalry regiments.
2 sapper and miner companies.
4 field batteries.
4 pack batteries.

4. Norperforce will be within Mesopotamia by the 15th May next; it is therefore unnecessary to consider their safety in relation to the withdrawal of troops from Mesopotamia.

5. Shipping programme, for additional units it is proposed to reduce, giving dates available for embarkation from a zero date, is attached.

6. The river line of communication with Baghdad is imperative from the military point of view, and owing to the large number of troops which would be required to guard the railway from Basra to Baghdad, it is not proposed to hold that line.

7. It is not considered desirable that the communications upon which any British force depends should be entrusted to the protection of Arab levies for the time being.

8. Ja'afar Pasha's proposals for the recruitment and organisation of Arab forces have been submitted to a Military Committee composed as follows:—

General Ironside (*President*).
Colonel Cornwallis.
Colonel Slater.
Major Eadie.
Ja'afar Pasha.

9. The Military Committee are of the opinion that it is undesirable to incur capital expenditure upon permanent barracks and accommodation for the garrison and Royal Air Force until a decision as to the ultimate strength and location of the troops of occupation has been arrived at. They consider that temporary hutments fitted with electric light and fans and all other practicable amenities should be provided for all British troops, and temporary cantonments for all Indian troops, such accommodation being absolutely necessary to maintain the health and contentment of the army.

TABLE III

Date.	Conditions.	Combatant Units required and their Distribution.							
		Place.	Infantry Battalions.	Cavalry Regiments.	Field Batteries (4 guns).	Pack Batteries (4 guns).	Sapper and Miner Companies.	Armoured Car Companies.	Railway Armoured Car Companies.
April 1922	No external menace. Arab army able to take over Kirkuk area, Hillah, Fallujah, Ramadi, Samarrah, Qizil Robat, Nasiriyah, and outposts of Mosul.	Mosul .. .	5	1	1	1	1	½	..
		Mosul, Samarrah (exclusive) L. of C. ..	3	..	1	1	..	½	..
		Baghdad defences ..	2	..	..	..	..	..	..
		Baghdad mobile column and L. of C. ..	6	1	2	2	2	1½	} 1
		Kut L. of C.	1	..	..	..	..	..	
		Kut, Amarah ..	2	..	..	..	..	..	
		Basrah, Shaibah ..	3	..	..	..	1	½	
		Total	22*	2*	4	4	4	3	1

* British.
Necessary headquarters and ancillary service. Defence flotilla.

TABLE IV.

Mosul area: 1 battalion, 1 cavalry regiment, 2 field batteries, 1 pack battery, 1 company sappers and miners.
Kirkuk area: 4 battalions, 1 cavalry regiment (Indian), 1 pack battery, 1 company sappers and miners.
Baghdad: 5 battalions, 2 cavalry regiments, 1 field battery, 1 pack battery.
Basrah: 1 battalion, 1 field battery, 1 pack battery.

Assume order for withdrawal of above units issued on *X* day, the first battalion, plus 1 field battery, plus 1 pack battery, would be ready to embark *X*, plus 7 days. Next 3 battalions would be ready to embark on *X*, plus 21 days, and the remaining units at the rate of three per week from *X*, plus 28 days.

SECOND MEETING OF MILITARY COMMITTEE.

MARCH 13, 1921.

Present:

Lieutenant-General Sir W. Congreve (*President*).
General Haldane.
General Radcliffe.
General Atkinson.
General Ironside.
Air-Marshal Trenchard.
Air-Vice-Marshal Salmond.
J. B. Crosland, Esq.
Colonel Stewart.
Colonel Frith
Colonel Slater.
Wing-Commander Gossage.
Wing-Commander Burnett.
Major Eadie.
Lieutenant-Colonel Waters Taylor (*Secretary*).

The minutes of the first meeting were read and amended.

2. A Committee composed as under was appointed to consider Ja'afar Pasha's scheme for the formation of an Arab army:—

General Ironside (*President*).
Colonel Cornwallis.
Colonel Slater.
Major Eadie.
Ja'afar Pasha.

3. Air-Marshal Trenchard handed in a paper with his proposals for the distribution and functions of the Royal Air Force in Mesopotamia upon the reduction of the garrison (Air-Marshal Trenchard's paper attached). The Air-Marshal's proposals were considered and approved by the Committee.

The Air-Marshal also handed in a scheme for the control of Mesopotamia by the Royal Air Force, which was issued to senior members of the Committee to be read and discussed at the next meeting of the Committee.

4. A minute to the President from the Secretary of State was received and communicated to the Committee The following points at issue to be discussed with the Political Conference were formulated on paragraph 2 of the Secretary of State's minute:—

(*a.*) Can we act on the assumption in paragraph 2 of minutes of the first meeting?
(*b.*) How far can the garrison be withdrawn if not replaced by the Arab army?

Distribution and Functions of the Royal Air Force when the present Garrison in Mesopotamia has been reduced by one-third before this hot weather, as mentioned in the first paragraph of Political Agenda I, and the Air Force are still under Military Control.

1. Total number of squadrons, 6. (One more squadron to be ordered from India to Mesopotamia at once.)

These squadrons to be distributed as follows :—

Shaibah.	No. 84 Squadron.	D.H.9A.
Baghdad.	No. 6 Squadron.	Bristol Fighter.
	No. 8 Squadron.	D.H.9A.
	No. 30 Squadron.	D.H.9A. Snipe.
Baghdad.	No. 1 Squadron.	Snipe (from India).
Mosul.	No. 55 Squadron.	D.H.9A.

Mosul has been selected instead of Shergat for the following reasons :—

(*a.*) There will be a British garrison at Mosul, according to the scheme outlined at this morning's Military Committee.
(*b.*) Mosul is a better health station than Shergat.
(*c.*) A supply of reserve stores will be located at Mosul.

2. The functions of the army would be as follows :—

(*a.*) It is understood that at this stage the army will be responsible for the following :—

Mosul, Baghdad and Basra.

(*b.*) The communications between these three places by rail and river.
(*c.*) The supply of forces necessary at these places for the above work.

The duty of the Royal Air Force would be :—

(*a.*) Routine visiting of all areas and political officers within radius of aircraft operating from these three stations, but only landing at certain specified aerodromes which can be considered locally.
(*b.*) Such action as is considered necessary by political officers, which would include demonstration of force, in this area.
(*c.*) Punitive action as ordered by the High Commissioner, if approved by the G.O.C.-in-C., within this area if the Air Officer Commanding considers the force at his disposal sufficient for the work.
(*d.*) Co-operation with the army within the immediate vicinity of their garrison.
(*e.*) Supervision of all wireless.
(*f.*) Visiting of all aerodromes in the country which the air officer commanding regards as suitable and the political officers consider of use.

3. Distribution of responsibility between the army and the air force.

For all operational purposes within a defined limit of Basra, Baghdad and Mosul, the air officer commanding would act under the orders of the G.O.C.-in-C., Mesopotamia.

For all operational purposes outside these limits the Air Officer Commanding would be responsible for the carrying out of such purely air operations as might be required by the High Commissioner under the general orders of the G.O.C.-in-C.

(Signed) H. TRENCHARD,
Chief of Air Staff.

March 12, 1921.

Note.—I have still kept to the principle of the G.O.C.-in-C. being responsible for all operations, air and others, in the country during this stage, as the Air Force have not yet got the necessary squadrons and organisations, such as wireless, intelligence, &c., in the country to start the Air Force scheme of complete control and responsibility. It is considered, however, that by the above method the Air Force would be employed under the G.O.C.-in-C. on the lines on which they will be employed when an adequate air organisation is set up.

(Initialled) H. T.
C. A. S.

Appendix 8.—Mesopotamia: Political and Military.

FIRST MEETING OF THE COMBINED POLITICAL AND MILITARY COMMITTEES.

MARCH 13, 1921.

Present :

The Right Hon. Winston Spencer Churchill, M.P. (*Chairman*).
Sir Percy Cox, G.C.I.E., K.C.S.I.
Lieutenant-General Sir Walter Congreve, V.C., K.C.B. (*Chairman of the Military Committee*).
Lieutenant-General Sir J. A. L. Haldane, K.C.B., D.S.O.
Air-Marshal Sir H. M. Trenchard, Bart., K.C.B., D.S.O.
Major-General Sir P. P. de B. Radcliffe, K.C.M.G., C.B, D.S.O.
Air-Vice-Marshal Sir G. Salmond, K.C.M.G., C.B., D.S.O.
Major-General S. W. E. Ironside, K.C.B., C.M.G., D.S.O.
Major-General E. H. de V. Atkinson, C.B., C.M.G., C.I.E.
J. B. Crosland, Esq.
Colonel J. H. K. Stewart, D.S.O.
Colonel G. R. Frith, C.M.G., D.S.O., R.E.
Colonel T. E. Lawrence.
Colonel B. H. S. Waters-Taylor, C.B.E.
Major H. W. Young, D.S.O.
Miss Gertrude Bell, C.B.E.
Major Eadie, D.S.O.
Wing-Commander E. L. Gossage, D.S.O., M.C.
R. D. Badcock, M.C. (*Secretary*).

The Committee had before them the minutes of the meeting of the Military Committee of the previous day.

The Chairman stated that as the Military Committee had been able to make such rapid progress under the able chairmanship of Lieutenant-General Sir Walter Congreve he was pleased to be able to call a joint meeting of the Political and Military Committees. He pointed out that it was essential that the reductions of troops must be accelerated by all possible means, and that very considerable economies must be effected without delay. The modified garrison would cost approximately 25 millions per annum, and he trusted that expenditure would eventually come down to about two-thirds of this figure, provided the reductions continued. He emphasised that he would spare no effort to supply the necessary shipping, and he hoped that it would be possible to meet the need from India and elsewhere.

Replying to a question by the Chairman, *Lieutenant-General Sir J. A. L. Haldane* stated, if shipping were available, it would be possible to reduce the garrison at the rate of 3,000 men per week. *Lieutenant-General Sir Walter Congreve* pointed out that if the garrison were rapidly reduced it would be down to the basis of twenty-two battalions before the force being raised by Ja'afar Pasha was ready to take over. *Sir Percy Cox* stated that such a rapid reduction would leave him in a very difficult position, and he emphasised the necessity for the maintenance of troops in stations other than the three—Mosul, Baghdad and Basra—proposed by the Military Committee, until such time as the new force was trained and ready, which could not be before 1922.

The Chairman, whilst agreeing that the situation was a somewhat difficult one, emphasised the fact that the British taxpayer could not be expected to continue to garrison the country at such high expense, and that rapid economies must be effected before the new financial year. He fully realised that the Military Commanders wished to refrain from placing a number of small detachments about the country involving long lines of communications, and risking the destruction of such forces in the event of hostile action, yet he thought that it must be possible to find a medium whereby the General Officer Commanding might meet the High Commissioner by slightly increasing the number of stations from the three suggested. At the same

time it was essential that the training of the local forces should be accelerated as much as possible. Although the army might run slight risks, and although the local forces would not be so perfectly trained as was desirable before taking up their duties, the essential economies would be effected. He pointed out that the latest information with regard to negotiations with the Turkish Government gave hopes that we might perhaps expect to be immune from serious attack from that quarter, which would greatly improve our position in Mosul, and might make it more possible for the General Officer Commanding somewhat to amend his proposed distribution.

In reply to a question by the Chairman, *Air-Marshal Sir H. M. Trenchard* stated that he was unable to take over the responsibility of guarding communications at present, as the Air Force was not yet in a position to do so. He hoped that a year hence it might be possible to lend more active assistance, which would then make it possible further to reduce the garrison.

The Chairman suggested that it might be possible to arrange to subsidise the villages on the lines of communications and in return make them responsible for safeguarding the railway. *Sir Percy Cox* was of opinion that the time was scarcely ripe to place such a trust upon a populace which had so recently been in revolt against us.

On the Chairman enquiring how it was that when approximately 50,000 troops had been sent into the country, and even now twenty-five battalions had not yet gone, he was informed that fourteen new battalions, six from Palestine and eight from India, were being despatched in relief of troops who had long been stationed in Mesopotamia.

The Chairman pointed out that economy could be effected in this system of putting troops in with one hand and taking them out with the other, and he suggested that it should receive the special attention of a sub-committee.

Replying to a question by the Chairman, *Mr. Crosland* stated that the estimates for 1921–22 for the garrisons of Mesopotamia and Palestine had been put (before the Cabinet reduction to 28½ million pounds) at a round total of 30 million pounds, though, as a matter of fact, owing to possible charges for relief units in India in 1921–22 and Indian charges relating to reinforcements of 1919 still to be sent back to India, the total might be somewhat larger—perhaps 31¾ millions—apart from reductions and economies which this Conference were now considering. Taking the round 30 million pounds, Mr. Crosland was unable to say exactly what portion would represent the Palestine cost, but he thought about 3½ million pounds; this would leave 26½ millions for Mesopotamia. He stated that the G.O.C. had already commenced to effect very considerable reductions in Indian labour, which would show corresponding reductions in expenditure, apart from the proposed reduction in the number of troops. Secondly, he trusted that a further saving on labour could be effected by the actual reduction of troops; when the troops were reduced it would be necessary to cut down correspondingly the labour and departmental charges, but it must be remembered that many of these charges inevitably continued for some time after the reductions in troops had been effected. He pointed out that we had to pay charges for Indian troops for three months after their return to India.

The Chairman was of opinion that no definite decision could be come to at this stage, and he requested that Sir Walter Congreve would form a special committee during the afternoon composed of :—

Sir Percy Cox
Air-Marshal Sir H. M. Trenchard.
Lieutenant-General Sir J. A. L. Haldane.
Major-General Sir P. P. de B. Radcliffe.
Major-General S. W. E. Ironside.
Major-General H. H. de V. Atkinson.

and that they should consider in regard to Table III, attached to the minutes of the first meeting of the Military Committee, in what way it could be applied place by place to the present situation, in order that assistance might be given to the local Government without undue risk to the number of "concentrated forces" advocated by the Chief of the General Staff.

The Chairman requested that Major-General Sir P. P. de B. Radcliffe would draw up, in consultation with Colonel Stewart and Colonel Frith, a telegram to the War Office, on the assumption that the scheme for the maintenance of the twenty-two

battalions should be adopted, asking them to defer despatch of the fourteen battalions destined for Mesopotamia, while relieving so far as possible those units which must necessarily leave the country. The amount of shipping required to carry out the immediate reduction of the garrison should also be worked out.

SECOND MEETING OF THE COMBINED POLITICAL AND MILITARY COMMITTEES.

MARCH 14, 1921.

Present :

The Right Hon. Winston Spencer Churchill, M.P. (*Chairman*).
Sir Percy Cox, G.C.I.E., K.C.S.I.
Lieutenant-General Sir Walter Congreve, V.C., K.C.B. (*Chairman of the Military Committee*).
Lieutenant-General Sir J. A. L. Haldane, K.C.B., D.S.O.
Air-Marshal Sir H. M. Trenchard, Bart., K.C.B., D.S.O.
Major-General Sir P. P. de B. Radcliffe, K.C.M.G., C.B., D.S.O.
Air-Vice-Marshal Sir G. Salmond, K.C.M.G., &c.
Major-General S. W. E. Ironside, K.C.B., C.M.G., D.S.O.
Major-General E. H. de V. Atkinson, C.B., C.M.G., C.I.E.
J. B. Crosland, Esq.
Colonel J. H. K. Stewart, D.S.O.
Colonel G. R. Frith, C.M.G., D.S.O., R.E.
Colonel T. E. Lawrence.
Colonel B. H. S. Waters-Taylor, C.B.E.
Major H. W. Young, D.S.O.
Miss Gertrude Bell, C.B.E.
Major Eadie.
Wing-Commander E. L. Gossage, D.S.O., M.C.
Ja'afar Pasha.
R. D. Badcock, M.C. (*Secretary*).

The Committee had before them the minutes of the previous meeting of the combined Political and Military Committees, and advanced copies of the minutes of the Special Committee assembled to enquire into the possible redistribution of the forces in Mesopotamia.

In response to an enquiry by the *Chairman* as to whether Mr. Crosland had made any computation of the relief to expenditure which would be afforded by the reductions foreshadowed in the discussion at the previous meeting, he was informed that, provided shipping were made available and local charges cut down, it would probably amount to about 2½ million pounds for Indian troops and 1 million for British.

The Chairman pointed out that, although the number of troops was being reduced by about one-third, yet the reduction in expenditure on Mr. Crosland's estimate would only amount to one-seventh of the total, a very low proportion. He directed that further enquiry should be made with a view to ensuring that concurrently with the reduction of troops a proportionate reduction in expenditure would be effected. Similarly, he trusted that a saving would be effected throughout the establishments, particularly in regard to stores, and by the substitution of junior for senior officers as the responsibility of commands became modified with the reduction of numbers. He stated that he proposed to accept the second report of the Military Committee as a basis, and that he now proposed that the meeting should take measures to make those reductions effective. He asked Major-General Sir P. P. de B. Radcliffe to reassemble his sub-committee of the previous day, and to expand the draft telegram which had been prepared by that Committee, for despatch by the Chairman to the Secretary of State for War.

The additional points for consideration were :—

(*a.*) To calculate the maximum rate at which the troops specified could arrive at Basra, provided the necessary shipping was available. The Chairman took upon himself the responsibility of arranging the latter. There

would of necessity be some slight delay at the best in the arrival of the shipping, but he emphasised that troops should continue to assemble at Basra so as to be ready for embarkation immediately shipping was made available.

(*b.*) To consider the best method of obtaining the shipping, which the Government of India might be able to arrange. For this it would be essential to give a definite statement of the amount of shipping required.

(*c.*) To report on the best method of making, concurrently with the reduction of troops, a proportionate saving in expenditure on stores and equipment and administrative charges, embodying any necessary recommendations in the telegram mentioned.

(*d.*) To enquire into the best method of disposing of the 25,000 animals which would become surplus to establishment, bearing in mind that an estimate should be made of the greatest number available for disposal, and that this figure should only allow of the barest minimum required by the garrison. All surplus animals should be disposed of prior to the 31st March, 1921, and it would be necessary to embody the recommendations of the Committee in a telegram for the consideration of the Director of Remounts at the War Office.

Replying to an enquiry by the Chairman, *Mr. Crosland* stated that the estimate for feeding the animals now in Mesopotamia amounted to $1\frac{3}{4}$ million pounds. *The Chairman* pointed out that a considerable saving could therefore be effected, not only by the sale of some of the animals, but also by reducing the number to be fed.

(*e.*) *Mr. Crosland* explained that there was an expenditure of over 2 millions for Indian relief units in India. It was decided that recommendations for reduction under this head should be included in the telegram.

The Chairman asked that Lieutenant-General Sir J. A. L. Haldane and his staff should commence to consider the order of departure of the units, bearing in mind that certain Indian units especially required relief.

(*f.*) *Lieutenant-General Sir J. A. L. Haldane* pointed out that the forces in Mesopotamia were living upon the accumulation of stores in the country, and that there was a large surplus.

The Chairman suggested that the Civil Government might welcome the opportunity of purchasing those not required by the army, and he suggested that the matter should be discussed by Sir Percy Cox and the General Officer Commanding. He emphasised that it was false economy for the Disposals Board to keep a large staff to look after surplus stores, and that it would be better to arrange for their immediate disposal, even if they were sold at a very low rate.

The Chairman said that his general policy was to continue to reduce on the lines proposed until October 1921, when the whole question could again be reviewed in the light of political developments of our relations with the Turkish Government, and of progress achieved in the formation of local forces. He emphasised that the present reductions were only to be regarded as a temporary measure up to October, when it would be essential to endeavour to make a further saving, which he hoped would bring the forces in Mesopotamia down to approximately the permanent garrison of about 15,000 men. This would make it possible to consider the question of cantonments and housing for the permanent garrison.

THIRD MEETING OF THE COMBINED POLITICAL AND MILITARY COMMITTEES.

MARCH 15, 1921.

Present:

The Right Hon. Winston Spencer Churchill, M.P. (*Chairman*).
Sir Percy Cox, G.C.I.E., K.C.S.I.
Lieutenant-General Sir Walter Congreve, V.C., K.C.B. (*Chairman of the Military Committee*).
Lieutenant-General Sir J. A. L. Haldane, K.C.B., D.S.O.
Air-Marshal Sir H. M. Trenchard, Bart., K.C.B., D.S.O.
Major-General Sir P. P. de B. Radcliffe, K.C.M.G., C.B., D.S.O.
Air-Vice-Marshal Sir G. Salmond, K.C.M.G., &c.
Major-General S. W. E. Ironside, K.C.B., C.M.G., D.S.O.
Major-General E. H. de V. Atkinson, C.B., C.M.G., C.I.E.
J. B. Crosland, Esq.
Colonel J. H. K. Stewart, D.S.O.
Colonel G. R. Frith, C.M.G., D.S.O., R.E.
Colonel T. E. Lawrence.
Colonel B. H. S. Waters-Taylor, C.B.E.
Major H. W. Young, D.S.O.
Miss Gertrude Bell, C.B.E.
Major Eadie.
Wing-Commander E. L. Gossage, D.S.O., M.C.
R. D. Badcock, M.C. (*Secretary*).

The Committee had before them:—

(1.) The report of the Sub-Committee, presided over by General Sir P. P. de B. Radcliffe.

(2.) The report of Major-General Ironside's Sub-Committee on the formation of the local forces in Mesopotamia.

The Chairman stated that as Sir Percy Cox had not had the opportunity of being present at the meeting of General Ironside's Committee, and had not been able fully to consider the report submitted by it, it would be left over until the following day.

The Chairman then read the report of General Radcliffe's Committee. In reply to the Chairman *Mr. Crosland* pointed out that he assumed that the reduction of the 10 battalions from the 33-battalion to the 23-battalion scale would commence in June next, and that the Indian troops would therefore cease to be a charge subsequent to September 1921. He trusted that there would be a large saving in countermanding the order for units proceeding to Mesopotamia to relieve units there. *The Chairman* noted that the Committee had amended the proportion of British and Indian units so that the garrison would now be 4 British battalions and 19 Indian battalions to complete the 23-battalion scheme. He observed that the expenditure would be somewhat increased by this alteration, but as he fully appreciated the view of the general staff in their desire to maintain a sufficient number of British battalions, he was anxious to do his best to meet them.

In reply to an enquiry by the Chairman, Lieut.-General Haldane stated that he preferred Indian battalions to British at the present time, and *Mr. Crosland* pointed out that the cost of an Indian battalion in Mesopotamia was approximately one-half that of a British battalion.

General Radcliffe pointed out that with the exception of the Welsh Guards, there were exactly the same number of British battalions in the army to-day as in the pre-war army, and that there were no reserves, though we had far greater commitments.

After further discussion it was found that further savings could be effected elsewhere, and *the Chairman* agreed that the new establishment should stand. He noticed that there were still six units which were proceeding to Mesopotamia in

relief of others, and he felt that it was impossible to justify this expenditure, as it meant not only an additional charge, but also the temporary prevention of the reduction of the number of troops now in Mesopotamia awaiting embarkation.

General Sir J. A. L. Haldane pointed out that six of the battalions in Mesopotamia were not only weak but comparatively inefficient, and he was anxious, in view of the proposed reductions, that the remaining units should be of a high standard of efficiency.

General Radcliffe observed that the political difficulties in India which arose from the retention of Indian units long since due for relief were of great importance, and it was finally decided to meet the charge half way by only sending three battalions instead of six.

The Chairman enquired whether batteries had been reduced from a six to a four-gun establishment. *General Haldane* replied that this had already been effected, and that he preferred to have more batteries, but smaller ones, rather than larger units, even though the total number of guns in the force were the same. He gave his opinion that howitzers were far preferable to field guns as it was found by experience that owing to the low trajectory the latter were not so effective as the former, particularly in the fighting in canals and steep wadis.

Mr. Crosland thought that the charge of 2½ millions for Indian troops maintained in India to provide reliefs could not be entirely debited to Mesopotamia, half-a-million might be assumed to relate to Indian troops in Egypt, Palestine, &c.

General Haldane gave his opinion, in reply to the Chairman, that it would be impossible for the followers and labour companies to march down to the base, as they would only be a source of public insecurity.

The question of the rate at which troops could be made available at the base for embarkation was then discussed. *General Atkinson* stated that the first train should have got through to Baghdad from Basrah in about one month after his departure from Mesopotamia, which would be at about the present time. The efficiency of the line was, however, not great. Political officers had already been endavouring before his departure to make arrangements for the safe custody of the route by local forces.

The Chairman emphasised the necessity of actually getting the troops out of the country, as it was only by this means that immediate savings could be made. He requested Sir Percy Cox to despatch a priority telegram to the Acting High Commissioner in the sense that every effort should be made to accelerate the repair and efficient running of the railway. It was agreed that in view of the possibility of improved communications it might be possible to raise the maximum rate of delivery of troops per week from 5,000 to 6,000. The Chairman hoped that the despatch of the auxiliary personnel could be accelerated, and that Indian followers would be given preference, not only because they were more expensive, but because it was necessary to pay them daily, whereas local labour was only paid for the number of actual working days.

Colonel Frith observed that it would be false economy to keep large numbers of Indian labour idle at the base awaiting shipping, whilst employing local labour, but it was to be hoped that economies could be made in this direction.

The Chairman requested Mr. Crosland and Colonel Frith to discuss the matter embodying their conclusions in the final draft telegram.

The Chairman enquired whether it would not be possible to effect a reduction in the charge for petrol consumption, which amounted to one million pounds. It was pointed out that this figure included the transport for the withdrawal of the forces in Persia as well as those in Mesopotamia. He observed that from experience in France it was found that it was an economy to dispose of cars at once rather than keep them in depots under the control of the Disposals Board where the engines deteriorated. There was a continual demand for men to guard them.

The Chairman then read the financial report, submitted by Mr. Crosland.

Replying to the Chairman, *Air-Marshal Sir Hugh Trenchard* pointed out that the squadron which it was proposed to bring from India would be able to police outlying districts, and that it would be a saving to the Indian Government who were already reducing by two squadrons, but he thought that it would scarcely be possible

to obtain any compensation from that source. It might, however, be worthy of consideration.

The Chairman asked General Radcliffe to look into the question of veterinary services and the Army Chaplains Department, and to ensure that a proportional reduction was made. He asked Mr. Crosland to frame an estimate of the cost of the Kirkuk garrison, which would probably amount to approximatelv 1 million pounds. Such a charge was hardly justified in view of the value of the Kirkuk Division which compared unfavourably with much larger districts in certain other Colonies for which nothing like so large an expenditure was sanctioned. He wished to emphasise this point, and he trusted that every effort would be made to replace the garrison by the local forces.

General Haldane brought forward the question of disproportionate expenditure on such public works as electric light and power stations, &c., which, although necessary in the past, could not be justified with a reduced force. He submitted that some of these should be taken over by the Civil Government, who might find them of considerable value.

The Chairman asked that a financial committee should meet under the presidency of *Mr. Crosland* to enquire into this matter. *Mr. Crosland* said that an immediate saving could be made by the disposal, either by destruction or otherwise, of animals, and also by the disposal of the large accumulation of useless stores and surplus ammunition.

The Chairman directed that a telegram should immediately be despatched requesting sanction from the Home Authorities for the local destruction of such stores, due precaution being taken to ensure that they could not, at any time, be used against our forces.

The Chairman then stated that when the committees had completed their reports, it would be possible to pass to the second stage of the Conference, and he read some observations which he had made for the information of members, and which were being circulated.

FOURTH MEETING OF THE COMBINED POLITICAL AND MILITARY COMMITTEES.

MARCH 16, 1921.

Present:

The Right Hon. Winston Spencer Churchill, M.P. (*Chairman*).
Sir Percy Cox, G.C.I.E., K.C.S.I.
Lieutenant-General Sir Walter Congreve, V.C., K.C.B. (*Chairman of the Military Committee*).
Lieutenant-General Sir J. A. L. Haldane, K.C.B., D.S.O.
Air-Marshal Sir H. M. Trenchard, Bart., K.C.B., D.S.O.
Major-General Sir P. P. de B. Radcliffe, K.C.M.G., C.B., D.S.O.
Air-Vice-Marshal Sir G. Salmond, K.C.M.G., &c.
Major-General S. W. E. Ironside, K.C.B., C.M.G., D.S.O.
Major-General E. H. de V. Atkinson, C.B., C.M.G., C.I.E.
J. B. Crosland, Esq.
Colonel J. H. K. Stewart, D.S.O.
Colonel G. R. Frith, C.M.G., D.S.O., R.E.
Colonel T. E. Lawrence.
Colonel B. H. S. Waters-Taylor, C.B.E.
Major H. W. Young, D.S.O.
Miss Gertrude Bell, C.B.E.
Major Eadie.
Wing-Commander E. L. Gossage, D.S.O., M.C.
R. D. Badcock, M.C. (*Secretary*).

The Committee had before them the report of the Sub-Committee held under the presidency of Lieut.-General Sir Walter Congreve, at which Sir Percy Cox was present, and which was held on the 15th March, 1921. It had

been impossible to complete the report in so far as no consideration had been given to the Air-Marshal's proposals for the control of Mesopotamia by Royal Air Force.

The Chairman stated that he had had a further consultation with Sir Percy Cox and General Ironside, and that he had decided to reconstitute the Sub-Committee formed under the presidency of the latter.

The Political Committee had discussed the Kurdish question, and although no definite decisions had been made, it appeared probable that it would be preferable for the High Commissioner in Iraq to deal direct with the head of a separate Kurdish State rather than to place the Kurds under an Arab Government.

The garrison for Kirkuk and Mosul under the twenty-three battalion scheme amounted to eight battalions, and as there appeared every possibility of a plentiful supply of suitable material from Kurdish sources to create local forces, he trusted that it would be possible to relieve the British garrison in the near future. He would ask *Sir Percy Cox* to preside over the revised Committee, which should include :—

General Sir P. P. de B. Radcliffe
General Sir W. E. Ironside.
Colonel Slater.
Major Eadie.
Ja'afar Pasha.

and which should have in view the formation of these Kurdish forces.

The advanced copy of the report of General Sir Walter Congreve's Sub-Committee was then read over. *The Chairman* stated that a Committee formed by the Adjutant-General had already considered certain recommendations for the formation of a class of gendarmerie similar to the Cape Mounted Rifles, which had been regarded with favour by the Prime Minister. *General Radcliffe* reminded the Chairman that the Adjutant-General's Committee had not recommended the adoption of the suggestion, which would cost 250*l.* per head extra per annum, as compared with local police.

The Chairman wished to emphasise that it must be the aim of the General Officer Commanding to obtain the maximum number of actual fighting troops ready for the field, and he suggested that it might be more efficient and economical to employ local or Indian labour for the menial duties, on which the fighting men of units were often employed. British troops, which were the backbone of the British Empire, were extremely costly and therefore every endeavour should be made to make the best use of them. He felt that this was not being done so long as they were being employed upon menial duties. In fact many units were only actually at half their strength on this account. He did not wish to press the point, but he was anxious that Sir Percy Cox would give the suggestion his close consideration. *General Sir Walter Congreve* observed that there was always the danger—in the employment of Indian and local personnel—of their deserting as soon as fighting commenced. Another difficulty was that, for medical reasons, doctors were averse from the employment of local or Indian labour in cook-houses.

The Chairman stated that he fully appreciated the folly of maintaining weak units with excessive overhead charges, and it should be an axiom in deciding the composition of the garrison, that the smallest number of units should be employed with the largest possible fighting strength. He was of opinion that, particularly in Mesopotamia and similar unhealthy countries, the Government would do well to employ a proportion of local labour. Good barracks should be provided, and by keeping the troops in good health we should thus maintain maximum strength ready for emergencies, and the minimum establishment with concurrent expenditure.

General Haldane observed that it would be unwise to expend large sums upon barracks when it was possible that the future garrison might be greatly reduced by the substitution of local forces and by the Royal Air Force taking over control. It was decided that this should receive consideration when General Sir Walter Congreve's Committee reassembled to discuss the proposals of the Chief of the Air Staff.

The Chairman asked General Radcliffe and General Congreve to discuss the possibility of the employment in Mesopotamia of Indian volunteers recruited for foreign service from the Indian army.

The Chairman then read a telegram which he proposed to despatch to the Prime Minister forthwith.

The Chairman gave his approval to the suggestion of General Haldane for the further reduction of the garrison in Mesopotamia to sixteen battalions, to be followed by a further reduction of four battalions in three months. He instructed Mr. Crosland to prepare an estimte of the saving in expenditure resulting from the reduction in the first phase—

(*a.*) Assuming it to commence in October next, with a second reduction in January.
(*b.*) Assuming it to commence in January next, with a second reduction in April.
(*c.*) For both reductions to take place in October next, on the supposition that possibly local forces would be ready by then.
(*d.*) For both reductions in January next, on the supposition that possibly local forces would be ready by then.

In reply to a question by *Sir Percy Cox*, the Chairman replied that if the local Government were unable to pay for the local forces from the revenue of the country, it might perhaps be possible to make a small grant in aid, provided the total amount expended on the Imperial garrison, and the grant did not exceed the 5,000,000*l.* per annum, which as he had stated at a previous meeting had been agreed upon for Mesopotamia. The Air-Marshal stated that the present cost of the air forces in Mesopotamia was 900,000*l.*, which was a charge on the air force vote, so that if this were transferred to the vote of the Middle East we should be that much in hand.

The Chairman stated that he hoped there would be savings elsewhere, which had not been included in the reductions he had submitted to the Prime Minister, but it was almost inevitable that they would find in practice that it did not effect such actual savings as those estimated.

The Chairman stated that there would be five or six squadrons of aeroplanes in Mesopotamia, and that the main repairing depot would be at Baghdad. He suggested that it would be well for the General Staff to give their closest consideration to the desirability, both from the point of view of efficiency and economy, of combining this repair depot with that of the armoured cars and mechanical transport.

Mr Crosland stated that the estimated cost of the garrison for Kirkuk, which the Chairman had instructed him to prepare at the previous meeting of this Committee, was 1,000,000*l.* at a minimum.

ANNEXURE TO APPENDIX 8.

REPORT OF GENERAL RADCLIFFE'S SUB-COMMITTEE.

MARCH 14, 1921.

President:
General Sir P. P. de B. Radcliffe.

Members:
Colonel J. H. Stewart.
Colonel G. R. Frith.
J. B. Crosland, Esq.

1. The maximum rate at which troops can be ready for embarkation is 5,000 per week.

2. On the 26th February the situation was: At Basra awaiting embarkation :—

Troops	10,000
Casuals and labour	10,000
Total	20,000

It is estimated that 9,000 of these have been embarked up to the present date, leaving at Basra some 11,000 to be embarked. There will remain in Mesopotamia, exclusive of the further reduction of ten battalions and other units which the Conference has recommended, 32,000 troops, labour, &c. Thus, at the present date, there are in Mesopotamia awaiting embarkation 43,000 men. At the present rate of 3,000 per week, 18,000 can be embarked by the end of April, at which date it is assumed additional ships, to embark up to a maximum of 5,000 a week, would become available.

Therefore, if shipping for 5,000 men per week is made available at Basra in six weeks from to-day (the 14th March, 1921), all troops and labour surplus to the datum garrison of thirty-three battalions should be clear by the 31st May next. This calculation allows no margin for unforeseen details, nor does it take into account further reductions of non-combatants consequent upon the withdrawal of the above troops; this assumes that eight out of the fourteen battalions under orders for relief are not relieved from India. In addition to the above numbers, there are ten battalions and other troops which it has now been decided are to leave the country. These, with the Ancillary Services which can go concurrently, amount to approximately 15,000. Their embarkation should commence, on the assumption as to shipping made above, by the 1st June, and at 5,000 per week should be clear by the 21st June.

In the figure 15,000 given above, some 12,000 are combatants and 3,000 non-combatants; these 3,000 represent only a small proportion of the Ancillary Services, which are mainly transport, river and land. These latter are required to effect the withdrawal of the combatant troops, and as soon as completed their reduction will follow rapidly in corresponding proportion.

3. The draft telegram to t'e War Office deals with the roster of units to be evacuated, which can only be settled between the War Office and the Government of India

4. A draft telegram from the Secretary of State to the Secretary of State for War is attached.

5. The saving in the next financial year is estimated to be approximately five and a half millions.

6. The surplus horses for Mesopotamia can only be dealt with in the following ways:—

(*a*.) Officers to be allowed to purchase.
(*b*.) As many animals as possible to be disposed of by local sales.
(*c*.) Animals in veterinary hospitals to be destroyed.
(*d*.) All animals not fit for six months' hard work to be destroyed.

A telegram to Mesopotamia giving instructions as above should be sent at once.

Horses which are surplus after the reductions which follow and the action proposed above can only be disposed of by destruction if the War Office do not require them elsewhere. In the draft telegram attached the War Office has been asked for an immediate answer on this point.

Appendix 9.

SUGGESTED PROGRAMME AND TIME-TABLE FOR MESOPOTAMIA.

1. Secretary of State leaves Egypt, and High Commissioner leaves for Baghdad	March 31.	Th.
2. High Commissioner arrives Basrah	April 12.	Tu.
3. High Commissioner arrives Baghdad	April 16.	Sat.
4. Confirmation by Secretary of State, if approval not already secured from Cabinet.		
5. Announcement of sentences of Military Courts and decision of His Majesty's Government to grant general amnesty for persons interned or exiled in connection with the disturbances of 1920 with one or two **exce**ptions	April 18.	Mon.

6. Sherif Faisal would have arranged to arrive at Mecca about the same date. He would after about a week, say on the 23rd, telegraph to Nuri, Ja'afar and any other influential friends of his, saying that, having been repeatedly urged by his friends to come to Mesopotamia, and the British Government, in reply to his enquiries, having informed him that if the people of Mesopotamia wanted him they were not disposed to stand in his way, he had discussed the matter with his father and brothers and had decided to offer his services to Irak. That he was writing more fully the platform on which he was prepared to stand, but that he was prepared to accept the terms of the mandate as laid before the League of Nations, provided that the British Government would agree to an additional clause making it possible that, by understanding between the parties, the terms of the mandate could be modified at any time after the passing of the law of the Constitution and its approval by the League of Nations, into the form of a treaty, providing on the one hand for the continuance of the help and support of the mandatory, and on the other for the adequate safeguarding and maintenance of the latter's special interests and privileged position in Irak. He would also send tactful telegrams to Naqib and Saiyid Talib, saying that he hoped he would have their support and personal participation in the Government of the country	April 23.	Sat.
7. Having seen the primary effect of this from his friends, Faisal would send a representative, or come himself, to Mesopotamia during Ramadan	May 8 to June 8	
8. It is expected that Faisal's announcement, followed by his arrival in the country, would result in such a definite expression of public feeling on his behalf as would make it unnecessary for us to ask the Congress to discuss the question of the ruler; they would simply confirm directly or indirectly his nomination.		
9. Having done this, Faisal would dissolve the present Provisional Government, *i.e.*, the Council of Ministers, and call the Naqib, or someone else, to form a Cabinet.		

Appendix 10.—Kurdistan.

FOURTH MEETING OF THE POLITICAL COMMITTEE.

MARCH 15, 1921.

Present:

The Rt. Hon. Winston Spencer Churchill, P.C., M.P. (*Chairman*).
Sir Percy Cox, G.C.I.E., K.C.S.I.
Miss Gertrude Bell, C.B.E.
Colonel T. E. Lawrence.
Major H. W. Young, D.S.O.
Major Noel (*Consultative Member*).
Major R. D. Badcock, M.C. (*Secretary*).

The Committee proceeded to discuss the question of Kurdistan.

The position was reviewed in the light of the revision of the Treaty of Sèvres, and it was suggested that the southern Kurds should not be included under the Government of Iraq. *Sir Percy Cox* stated that he had already intimated to his Council of State that during the year within which Kurdistan had the right under the treaty to opt for independence he would deal with Kurdish districts himself, and

that at the end of that period the position would have to be reconsidered in the light of future developments. He had already received a protest from the Council against this decision. The area in which the Kurds were predominant was in the divisions of Kirkuk and Sulimanieh and certain districts north of Mosul. Kirkuk and Mosul were now administered by Mutesarrifs, advised by British Political Officers, and with a staff of Kurdish officials of whom there was a plentiful supply. Fattah Pasha, a Turk whom the Kurds regarded with favour, had been appointed Mutessarrif of Kirkuk. Sir Percy Cox was of opinion that these divisions formed an integral part of Iraq, whilst economically they should undoubtedly belong to that country. He agreed with Miss Bell that the people of Kirkuk would wish to take part in the forthcoming election, and that their representatives should sit in the Iraq Parliament. He doubted whether the people of Sulimanieh would hold the same view. At any rate, he considered that they should be given an opportunity of co-operating if they so desired.

Major Young pointed out that if they were to wait for the elections it would be some time before they would be able to give a definite expression of their wishes for the future. He suggested that it might be preferable not to delay, but to set up a Kurdish State which would be directly under the control of the High Commissioner, and would not be a part of, or responsible to, the Iraq Government.

In reply to a question by the Chairman, *Major Noel* stated that the Kurds considered that they had been given what they had hoped for under the Treaty of Sèvres. The Turks had not used the Kurds against us, but, now that the British forces were evacuating this area, he considered that the Turks might attempt to detach Sulimanieh from the zone of our influence. He thought that the Kurds would prefer Home Rule, and that they would demur to accepting any responsibility to the Iraq Government, especially if Turkish propaganda were used to intensify their objections to being placed under an Arab State. He considered that British policy demanded the setting up of a Kurdish buffer State which could be used to counter-balance any strong anti-British movement which might occur in Mesopotamia. He suggested that if there were no customs barrier between the two countries, the Kurds should be given a fair portion of the revenue.

Major Young pointed out that the position was somewhat similar to that between Palestine and Trans-Jordania, where the latter had been given a form of local autonomy and the preservation of the rights of communities. He thought that it was desirable to keep the Kurds under our control, and he did not agree to an entirely separate Kurdish State which would not be responsible to the British Government.

In reply to a question by the Chairman, *Colonel Lawrence* stated that it was his opinion that the Kurds should not be placed under an Arab Government, although he fully realised that the latter would endeavour to arrange this. He did not consider it desirable that there should be two Mutesarrifs in the area, and suggested that one should be appointed, though he should not necessarily be given the position of a Kurdish prince.

Miss Bell did not agree with the suggestion that one Mutesarrif should be appointed for the two divisions. She suggested that the whole position should be left for a further period of about six months, after which she was of the opinion that the Kurds would be anxious to join the Iraq Government.

Major Young suggested that possibly the present time was opportune, as the machinery had already been provided for the election, to arrange that the Kurds held a separate election for a Council for their own divisions. He thought that it was unnecessary to send Arab levies or British troops to this area, and that security might be maintained by the formation of a special Kurdish force.

The Chairman was inclined to agree with the suggestion, and he put forward that it might be possible to subsidise a Kurdish chief and his more influential subordinates and to grant provisional trading facilities in consideration of an agreement that they would prevent the Turks from carrying out a policy in that area adverse to British interests in Iraq. Even if the Kurds wished to join in the elections, he anticipated difficulty if they were included in Iraq. A Sherif, whose breeding and family history probably led him to hold views on the Divine Right of Kings, might, while outwardly accepting constitutional procedure and forming a Parliament, at the same time despise democratic and constitutional methods. If this

were so, it might well be that, with the power of an Arab army behind him, he would ignore Kurdish sentiment and oppress the Kurdish minority. British policy would, on the other hand, be well secured by a friendly buffer State between Iraq and the Turks.

Sir Percy Cox stated that the revenue from the divisions of Kirkuk and Sulimanieh did not pay for the administration of those areas, and *Major Young* observed that they would therefore be no loss to Mesopotamia. *Sir Percy Cox* was, nevertheless, inclined to think that it would be better, as he had already done something in the direction of separate treatment for Kurdistan, to allow matters to take their course, in the hope of an ultimate fusion with Iraq.

Replying to a question by the Chairman, *Major Noel* said that, if he were asked to draw a frontier between a proposed Kurdish province and Iraq, it would be roughly along the line of the foothills. He enquired whether any provision had been made for the future of Amadia under the revised Treaty of Sèvres, and thought that it should be included in the British zone.

The Chairman pointed out that there was a close analogy between the functions of the Governor-General of South Africa, in respect of the Union of South Africa and Rhodesia, and those now suggested for the High Commissioner in respect of Mesopotamia and Kurdistan. He felt that British policy was giving very great support to the Arab cause, and that it could not overlook the rights of the Kurdish minority. He suggested that it might be possible to form two Kurdish regiments, which he understood could easily be raised, to hold the divisions of Sulimanieh and Kirkuk. He trusted that, under the influence of the High Commissioner, who would superintend the affairs of the two countries, through entirely distinct and separate channels, Kurdistan and Iraq would be drawn closer together, and that they might form one State in the future. He thought that it was possible for the meeting to come to a definite decision on this matter, as there was no need to refer it to the Foreign Office, or to any other quarter, though it might have ultimately to be referred to the League of Nations.

In reply to a question by the Chairman, *Miss Bell* stated that she considered that Mosul should undoubtedly be included in Iraq. *The Chairman* agreed with Major Young that it might be possible to form something in the nature of a frontier force of Kurds, under the command of British officers, and he suggested that this question should be referred to the Sub-Committee formed under the presidency of Major-General Ironside, with whom Major Noel might discuss the matter before his departure.

Appendix 11.—Arab Army and Levies.

EXTRACT FROM MINUTES OF SIXTH MEETING OF COMBINED POLITICAL AND MILITARY COMMITTEE.

MARCH 19, 1921.

(For remainder of Minutes and Composition of Committee, see Appendix 13.)

The Chairman then passed on to the question of the levies in Mesopotamia. He pointed out that, in principle, the High Commissioner should bear in mind that in the future the Iraq Government should be prepared to pay a certain contribution towards the maintenance of British troops stationed in Mesopotamia. He quite realised that it would be impossible for this to be done for perhaps three or four years, during which time the surplus revenue of the country would be utilised in forming an Arab army. This should, in itself, provide a considerable relief to the Imperial garrison, but it would be well that every effort should be made to encourage the Council of State to adopt the principle of increasing contributions proportionate to the revenue of the country.

The High Commissioner remarked that the Arab army would cost 85 lakhs per annum. He agreed with the Chairman that it was important for a contribution to be

made in the near future, and undertook to bear in mind that His Majesty's Government would ultimately expect the acceptance of this principle.

The Chairman considered that it would be well that not only a larger proportion of British officers but also a stiffening of British N.C.O's. should be included in the levy corps. He felt that it had been a mistake to have so small a proportion of British officers in the Indian army. He was aware that the language was a difficulty, but he thought that the right type of man could quickly pick it up.

It was generally agreed that the new levies corps should not be under the control of the Arab Government, but of the High Commissioner, through the General Officer Commanding.

Sir Percy Cox suggested that it would be well for General Ironside to enquire into the formation of the Kurdish force on his arrival in Mesopotamia.

In reply to the Chairman, *General Ironside* stated that he was prepared to take on anything for which he received an order.

General Haldane suggested that in the meanwhile, as it was of vital importance that the relief of British troops in Southern Kurdistan should be effected as early as possible, instructions should be given for the raising of the levies to be proceeded with immediately.

In reply to the Chairman, *Ja'afar Pasha* stated that he was quite content with the suggestions made in the report, and fully agreed to the recommendations of the Committee. He was convinced that he would have no difficulty in raising the necessary number of troops.

The recommendations of the Sub-Committee were then accepted.

PROCEEDINGS OF A SUB-COMMITTEE TO DISCUSS THE QUESTION OF A NATIONAL ARMY IN IRAQ IN ACCORDANCE WITH THE AGENDA ATTACHED.

Present :

President:
Sir P. Z. Cox, G.C.I.E., K.C.S.I., K.C.M.G.

Members:
Major-General Sir E. Ironside, K.C.B., C.M.G., D.S.O.
Major-General Ja'afar Pasha, C.M.G.
Major Young, D.S.O.
Major J. I. Eadie, D.S.O.

1. Colonel Moens' scheme was read and discussed, and the Committee considered it sound and should be accepted in principle. The Committee consider that the formation of an Iraq army is a matter of vital importance, and that every endeavour should be made to facilitate its raising and aid its efficiency.

Ja'afar Pasha states that, in order to enable him to recruit quickly, it will be necessary that the levies should not recruit from the townsmen and settled villagers of Iraq. Also that the army must get the same pay as the levies, and the conditions of service in the latter must not be better than in the former.

The Committee emphasise the importance of the co-operation of G.H.Q. in the provision of all military necessaries.

It is recognised that it may prove expedient and also be preferred by the Ministry of Defence that they should first take over the Hillah-Nasiriyah line instead of Kirkuk. This should be considered when the time comes in consultation with the G.O.C.-in-Chief.

2. The Committee consider that any Kurdish or other units raised should be raised under British officers on the existing levy lines, and distributed for the maintenance of security in other than Arab areas. The scale must be adjusted in accordance with the military requirements necessary for the taking over the areas. This is being considered now.

The Committee recommend that the existing non-Arab elements in the levies should be transferred to this new frontier force as soon as the High Commissioner can conveniently arrange it. If this can be arranged, Ja'afar Pasha agrees to the deficiency being made good by the enlistment of Arabs. The numbers involved at present would amount to about 500.

3. The Committee recognise that, on the basis at present contemplated, *i.e.*, as a force controlled by British officers and working under the High Commissioner, it cannot appear in the budget of the National Government as a Mesopotamian commitment. They consider that it should be financed in the first place by Imperial funds, the National Government making such contribution as they are in a position to do without prejudice to the progress of the National army on the lines recommended in paragraph 1. It is suggested that the financial aspect be discussed by the Financial Adviser to the High Commissioner in consultation with the Treasury and War Office representatives.

4. The High Commissioner has received a telegram from the Political Officer, Mosul stating that the menace from Turkey has by no means ceased to exist, and he contemplated with grave concern the withdrawal of the Mosul-British outposts in two months' time as contemplated. The Committee consider that by far the best course is that a senior officer should be specially deputed to proceed at once to Mosul and study and report on the situation and the best means of effecting the object in view.

AGENDA FOR DISCUSSION BY SIR P. COX AND GENERAL IRONSIDE AND THEIR SUB-COMMITTEE.

1. To examine the proposals of the Baghdad Committee presided over by Colonel Moens (which formulated a scheme for raising a nucleus army officered entirely by Arab officers with British inspectors of 5,000 men to be recruited within a year from date of permission being given to start recruiting), and consider in consultation with Ja'afar Pasha what modifications will be necessary, or are desired by him, in order to speed up the scheme sufficiently to enable him to take over the Kirkuk area by the 1st October, 1921, instead of by the 1st April, 1922.

2. In the course of the Fourth Meeting of the Political Committee of the 15th March it was agreed that "it might be possible to form something in the nature of a frontier force of Kurds under the command of British officers," and the Chairman desired that this Sub-Committee should develop the idea and formulate for the consideration of the Conference the lines and scale on which the force should be organised.

3. It being accepted that these levies will have to be run and commanded by British officers pending transfer of their functions to the Arab army of the future. In these circumstances the National Government (which will have no control over them) cannot be called upon to maintain them. Indeed, they are not in a position to do so on their budget. Consequently, they will have to be financed, for the present at any rate, by His Majesty's Government. The Sub-Committee will accordingly frame data on which the financial representative of the War Office can estimate the sum which it will be necessary to provide for them in his financial appreciation.

4. Always with the reservation that it entirely depends on the removal of Turkish hostility and menace from the north as result of recent London Conference, the High Commissioner has undertaken to accept the withdrawal of the existing British detachments from four Mosul outposts and to replace them by levies. The Sub-Committee will discuss this question and suggest the best course to pursue to effect the purpose in view.

TEMPORARY KURD AND ARAB LEVIES IN MESOPOTAMIA, OFFICERED BY BRITISH OFFICERS.

Note prepared, for the approval of the Secretary of State, on the 19th March, by a Sub-Committee, consisting of :—

Mr. Crosland.
Colonel Frith.
Colonel Slater.
Major Young.

On the return of Sir Percy Cox to Mesopotamia, the existing Arab levies will be removed from the control of the Ministry of the Interior and placed under the command of the G.O.C.-in-C. This transfer of command will not, however, involve

the transfer to the G.O.C.-in-C. of the responsibility for the administration and accounting for the levies, which will remain, as at present, with the High Commissioner.

Similarly the Kurdish and Assyrian units to be raised will be under the command of the G.O.C.-in-C., but will be administered by the High Commissioner, through the officer commanding the levies or otherwise.

The charge, which is to be borne in the first instance by the Colonial Office Vote, with some contribution from local revenues, will be submitted by the High Commissioner to the Colonial Office, for purposes of estimates and accounts, and there is no reason for it to pass through the books of the War Office, as will the charge for British and Indian troops in Mesopotamia borne by the Colonial Office Vote, though the War Office should of course be ready to aid the Secretary of State for the Colonies with any military or financial advice he may require with regard to these levies.

PROCEEDINGS OF THE SECOND SITTING OF SIR P. Z. COX'S SUB-COMMITTEE *re* IRAQ ARMY AND LEVIES.

Present:

Sir P. Z. Cox, G.C.I.E., K.C.S.I., K.C.M.G.
Major-General Sir E. Ironside, K.C.B., C.M.G., D.S.O.
Major-General Ja'afar Pasha, C.M.G.
Lieutenant-Colonel S. H. Slater, C.I.E., I.C.S.
Major J. I. Eadie, D.S.O.

1. With reference to the new Levy Force the Committee consider that very little expenditure in the direction of building barracks will be necessary, provided that any Turkish military buildings at places to be held by levies under this scheme, and now in occupation of our troops, will be handed over as soon as possible.

2. The Committee estimate that the new force will amount to about 5,000. For these are required 30 British officers and 15 British N.C.O.'s.

The cost of this force is estimated at about 70 lakhs for a year.

At the same time the existing force of 2,500 will be amalgamated with the above force and their budget transferred to Imperial Exchequer at an estimated cost of 40 lakhs.

Total cost falling on Imperial funds for this levy force would thus be 70 plus 40, *i.e.*, 110 lakhs, or say 750,000*l*., replacing a British force costing far more.

(Signed) P. Z. COX.

March 19, 1921.

DISTRIBUTION OF NEW LEVIES.

Rowanduz ...	...	3 companies.	
Erbil ...	...	1 squadron.	
Kirkuk ...	...	2 battalions ...	Doubled unless reinforced within 7 days.
		1 regiment cavalry	
		1 battery ...	
		1 section lambs ...	
Mosul ...	...	2 companies, Akra.	
		2 ,, Dohuk.	
		2 ,, Zakho.	
Reserve ...	...	2 companies.	
Tel Afar	...	2 squadrons cavalry.	
		2 guns, pack battery.	
Totals ...	...	19 companies infantry.	
		6 squadrons.	

Companies at 200. Two officers per battery.

Appendix 12.—Distribution of British and Local Forces.

THIRD MEETING OF THE MILITARY COMMITTEE.

MARCH 13, 1921.

President:
Lieutenant-General Sir W. Congreve.

Members:
Sir Percy Cox.
Air-Marshal Trenchard.
Lieutenant-General Haldane.
Major-General Radcliffe.
Major-General Atkinson.
Wing-Commander Burnett.
Ja'afar Pasha.

Secretary:
Lieutenant-Colonel Waters Taylor.

Terms of Reference.—To consider Table III (see Appendix 7), and to endeavour to apply it place by place to the existing situation with a view to aiding the Civil Administration to the utmost, without incurring undue military risk.

1. The garrisons considered necessary by Lieutenant-General Haldane were gone into place by place, and after considerable discussion were actually placed as follows with the approbation of Sir Percy Cox:—

Mosul—
2 battalions infantry.
1 regiment cavalry.
1 field battery.
1 pack battery.

Lines of Communication, Mosul to Baghdad—
3 battalions infantry.
1 battery field artillery.
1 pack battery.

Baghdad—
Garrison and local defence, 2 battalions.

Outposts—
Hillah, 1 company.
Hindiyah, 1 company.
Barrage,
Fellujah, 1 company.
Samarrah, 1 company.

Persian Outposts—
Qizil Robat, 2 companies.
Baqubah, 1 company.
Table Mount, 1 company.

Mobile Column—
4 battalions infantry.
1 cavalry regiment (less 2 squadrons).
1 battery field artillery.
1 pack battery.

Lines of Communications, Baghdad to Basra—
2 battalions on the railway Baghdad to Kut, this being an essential military artery.
1 battalion and 4 gunboats on the river from Kut to Basra.

Basra—
2 battalions infantry.

Kirkuk—
3 battalions infantry.
2 squadrons cavalry.
1 pack battery.

Nasiriya—
1 battalion infantry.

Shaiba—
1 battalion infantry.

2. As Sir Percy Cox considers he can place Arab levies in the Mosul northern outposts in two months' time, the garrison was reduced by 2 battalions.

3. The question of placing six months' supplies in Mosul in order to withdraw the L. of C. troops (3 battalions), and with them find the garrison for Kirkuk was considered and rejected as being unsound from a military point of view.

4. The proposal to find garrisons for Kirkuk, Nasiriya and Shaiba by abolishing the mobile column of Baghdad was considered and rejected owing to its leaving the Baghdad and Persian outposts beyond reach of support, as the Air-Marshal considered he was not yet in a position to maintain both outpost lines, but was prepared to maintain the Baghdad outposts during the absence of the mobile column. At the same time the Air-Marshal stated that he was prepared to replace punitive columns by aircraft, and his Excellency Sir Percy Cox considered that he would be satisfied with such action.

5. The garrison required for Kirkuk (3 battalions, 2 squadrons, 1 pack battery), for Nasiriya (1 battalion) and for Shaiba (1 battalion), have been obtained by reduction of the Mosul outposts (2 battalions), the L. of C. to the Baghdad Mobile Column (2 battalions), and the addition of 1 battalion of infantry to the original Table III estimate. To summarise: The proposals involve the addition of 1 battalion of Indian infantry and the reduction of 1 battery field artillery. An amended table is attached.

6. The question of the formation of an Arab army was raised, and Sir Percy Cox stated that for the time being nothing can be looked for beyond voluntary enlisted troops and levies.

MODIFIED TABLE showing Proposed Distribution of Troops on Reduction to Twenty-three Battalion Basis.

Place.	Infantry Battalions.	Cavalry Regiments.	Field Batteries (4 guns).	Pack Batteries (4 guns).	Sapper and Miner Companies.	Armoured Car Companies.	Railway Armoured Car Companies.
Mosul	2	1	1	1	1	½	..
Kirkuk area .. .	3	½	..	1	1	..	..
Mosul–Samarrah L. of C.	3	..	1	1	..	½	..
Baghdad garrison ..	2	..	..	..	..	..	..
Baghdad outposts (Hillah, Hindiyah Barrage, Fellujah, Samarrah, Qizil Robat) ..	2	..	..	..	..	..	..
Baghdad column ..	4	½	1	1	1	1½	..
Baghdad–Basrah L. of C.	3	..	..	..	..	..	1
Basrah, Shaibah, Nasiriyah	4	..	..	..	1	½	..
Total	23	2	3	4	4	3	1

FOURTH MEETING OF THE MILITARY COMMITTEE.

MARCH 15, 1921.

President:
Lieutenant-General Sir W. Congreve.

Members:
Sir Percy Cox.
Air-Marshal Trenchard.
Lieutenant-General Haldane.
Major-General Radcliffe.
Major-General Atkinson.
Wing-Commander Burnett.
Ja'afar Pasha.

Secretary:
Lieutenant-Colonel Waters Taylor.

1. Major H. W. Young joins as a Member of the Committee.

2. In reply to the President, Ja'afar Pasha stated that if he started recruiting on the 1st April, he would undertake to have 4,000 troops of the Arab army prepared to take over the Kirkuk area on the 1st October. Ja'afar Pasha to carry out his undertaking, made the following conditions: (*a*) that he is to be given the entire use of the towns and settled villages as his recruiting field; (*b*) that the levies should be drawn from the tribes, Nestorians, Lauristan Kurds and others outside the Irak population proper; and (*c*) that the Arab army should be on an equal footing to the levies as regards pay and allowances.

3. Sir Percy Cox agreed in principle to Ja'afar Pasha's proposals, and undertook to do his utmost to assist in their execution, and they were considered and accepted by the Committee.

4. The President here informed Ja'afar Pasha that he would detain him no longer as he had supplied all the information desired from him by the Committee. Ja'afar Pasha withdrew.

5. The President here read to the Committee the Secretary of State's minute. Sir Percy Cox said he felt that he must state that in his opinion there was undoubted possibility that the methods pursued to establish a friendly Kurdistan might result in an unfriendly Irak, and that this point of view ought to be taken into consideration in the question of the internal security of Irak.

6. The G.O.C.-in-C. Mesopotamia hands in a table of Provisional Proposals for the further reduction in the army of occupation to 16 battalions and subsequently to 12 battalions, on or after the 1st October, as the responsibilities of the Imperial Forces are assumed by the Local Forces (table attached). There will be a proportionate reduction in the ancillary services, 2 divisional generals and 2 brigadiers and staffs disappear on the 23 battalion scheme coming into operation, leaving 4 brigade commanders. The reduction in the senior commands and staffs continues side by side with the reduction in troops.

7. The Committee recommend a further substantial reduction of the Kirkuk garrison as early as the political situation permits, and this reduction might under favourable conditions take place before the relief of the Imperial forces by local forces in the Kirkuk area. The reduced garrison being supported by air action by the air forces now available in the country.

8. The Committee recommends the addition of a Vickers Vimy Squadron supplemented by one or two armoured car companies when the Mosul area is given up by the Imperial forces. This squadron could be found from Egypt, and would fly to Mesopotamia by the desert route. The arrival in Mesopotamia of this squadron in December would mean a charge on the Mesopotamian vote of 100,000*l*. (one hundred thousand pounds) approximately in the financial year 1921–22. The annual recurring expenditure of a Vickers Vimy Squadron being 200,000*l*. (two hundred and twenty thousand pounds).

9. The Committee accept the C.O.C.'s provisional proposals for a reduction to the twelve battalions basis on or after October 1921. Sir Percy Cox accepting on the understanding that he proceeds with the recruiting of levies under British officers, and that when the expenditure thus incurred exceeds his budgetary provision, the deficit will be met from Imperial funds.

PROVISIONAL Proposals for further Reductions in or after October 1921.

1. When the Arab local forces with the assistance of the R.A.F. can take over garrisons of Mosul vilayet (including Kirkuk area) the Imperial garrison can be reduced by :—

—	British Battalions.	Indian Battalions.	Cavalry Regiments.	Field Battery.	Pack Battery.	S and M. Company.
(*a*) Garrison of Mosul	1	1	1	1	1	1
(*b*) Garrison of Kirkuk area ..	1	2	½	..	1	1
(*c*) Samarrah–Mosul L. of C. ..	..	3	..	1	1	..
Total	2	6	1½	2	3	2
From this should be deducted to be added at Baghdad	..	1	½	..	..	..
Nett reduction	2	5	1	2	3	2
Leaving garrison of	2	14	1	1	1	2

Distribution of above Garrison.

Place.	Infantry Battalions.	Cavalry Regiments.	Field Batteries.	Pack Battery.	S. and M. Company.
Baghdad garrison	2	..	..	..	..
Baghdad outposts	2	..	..	..	..
Baghdad column	5	1	1	1	1
Baghdad–Basrah L. of C.	3	..	..	..	..
Basrah–Shaibah–Nasiriyah ..	4	..	..	..	1
Total	16	1	1	1	2

2. When Arab local forces can take over outposts of Baghdad further reductions can be made of :—

Two Indian battalions : Hillah, Hindiyah, Barrage, Fallujah, Samarrah and Baghdad (Qizil-Robat Railway).

3. When Arab local forces can take over Nasiriyah further reductions can be made of :—

Two Indian battalions.

—	British Battalions.	Indian Battalions.	Cavalry Regiments.	Field Battery.	Pack Battery.	S. and M. Company.
Total reductions	2	9	1	2	3	2
Leaving final garrison	2	10	1	1	1	2

Distribution of above Garrison.

Place.	Infantry Battalions.	Cavalry Regiment.	Field Battery.	Pack Battery.	S. and M. Company.
Baghdad garrison	2	..	..	..	..
Baghdad column	5	1	1	1	1
Baghdad–Basrah L. of C.	3	..	..	..	..
Basrah–Shaibah	2	..	..	..	1
Total	12	1	1	1	2

4. Any subsequent reduction will depend on ability of Arab local forces to take over Baghdad vilayet.

NOTE BY THE SECRETARY OF STATE FOR CONSIDERATION OF THE JOINT MILITARY AND POLITICAL COMMITTEE THIS AFTERNOON.

The savings resulting from the immediate reductions now arranged are only estimated by Mr. Crosland to amount to 5 millions. This is quite insufficient. It is, therefore, indispensable to consider now the second stage of reduction this year. This stage will begin on the 1st October, assuming that a further review of the situation in September renders it possible. Whereas the first stage of reduction will be presented by the Secretary of State to Parliament as a definite fact, the second will only be mentioned as a contingent and hoped-for possibility. In that sense, however, and subject to that reserve, the economies resulting from the second stage will be aggregated with those resulting from the first.

The Joint Committee is desired to prepare the second stage, specifying units, arms, administrative services, civil personnel, animals, &c. In other words, covering the whole ground previously covered by the first stage. In principle, the object should be to secure a further saving, if all goes well, of 3 millions in the financial year 1921–22. For this purpose certain assumptions may be made :—

1. Ample shipping will be available from the zero day to convey the troops and followers from the country at the maximum rate which the communications can deliver them at the port. Consideration must be given to the fact that communications, especially by railway, will on the favourable hypothesis have been improved by then.
2. The improvement and development of local forces capable of relieving the garrisons in definite areas. No sentimental or local considerations must stand in the way of the preparation of these forces in an efficient condition by the most expeditious means that can be devised. This need is paramount and must have priority over other considerations. The detailed examination of this policy will be resumed by General Ironside's Sub-Committee when an agreement has been reached on principles by the Political Committee.
3. *Kurdistan.* The Committee should assume that arrangements will be made in regard to Kurdistan, which will secure the general goodwill of its inhabitants, although no final decision has been taken by the Political Committee, they have viewed with favour the following plan :—

Mandatory Kurdistan to be administered directly under the High Commissioner, probably through a local Council of Kurdish chiefs, managing their interior affairs and enjoying a subsidy and other forms of support in consideration for guarding the marches of Mesopotamia from unfriendly intruders and opening the country for trade and encouraging recruitment for Imperial purposes. A force of Kurdish levies to be raised by companies under British officers and non-commissioned officers (one of each to the company). These troops to be ready by the 1st October to relieve the present garrisons of Kirkuk and Mosul. As a development of the above, companies of Assyrians to be raised, if possible, and employed as may be found suitable in association with the Kurds. In principle, therefore, the arrangement for Kurdistan will be similar to that which prevails in South Africa, where the High Commissioner stands in one relation to the responsible Government of the Union and at the same time has a direct executive authority over Rhodesia and certain native territories. It is not intended to offend the Kurds by putting them under the Arabs either in principle or locally, but, on the other hand, to secure Kurdish forces which can within the six months relieve us in the districts specified.

Proceeding on these lines, it is to be hoped that a further ten or eleven battalions, with a full proportion of other arms, can begin to leave Mesopotamia on zero day after the 1st October; and Mr. Crosland should calculate the effect on the finances of the year 1921–22 of such a further reduction if it took place on the 1st October or on the 1st January.

In all cases the co-operation of the air in conjunction with local levies should be developed to the fullest possible extent.

March 15, 1921.

Appendix 13.—Royal Air Force Scheme for Defence of Mesopotamia.

FIFTH MEETING OF THE COMBINED POLITICAL AND MILITARY COMMITTEES.

MARCH 17, 1921.

Present:

The Right Hon. Winston Spencer Churchill, M.P. (*Chairman*).
The Right Hon. Sir Herbert Samuel, C.B.E.
Sir Percy Cox, G.C.I.E., K.C.S.I.
Lieutenant-General Sir Walter Congreve, V.C., K.C.B. (*Chairman of the Military Committee*).
Lieutenant-General Sir J. A. L. Haldane, K.C.B., D.S.O.
Air-Marshal Sir H. M. Trenchard, Bart., K.C.B., D.S.O.
General Sir P. P. de B. Radcliffe, K.C.M.G., C.B., D.S.O.
Air Vice-Marshal Sir G. Salmond, K.C.M.G., &c.
Major-General S. W. E. Ironside, K.C.B., C.M.G., D.S.O.
Major-General H. H. de V. Atkinson, C.B., C.M.G., C.I.E.
W. H. Deedes, Esq., C.M.G., D.S.O.
J. B. Crosland, Esq.
Colonel J. H. K. Stewart, D.S.O.
Colonel G. R. Frith, C.M.G., D.S.O., R.E.
Colonel T. E. Lawrence.
Colonel B. H. S. Waters-Taylor, C.B.E.
Major H. W. Young, D.S.O.
Major T. R. Somerset.
Miss Gertrude Bell, C.B.E.
Major Eadie.
Wing-Commander E. L. Gossage, D.S.O., M.C.
Captain F. G. Peake.
R. D. Badcock, M.C. (*Secretary*).

The Committee had before them the report (Annexure 1) of the Military Committee under the presidency of Lieutenant-General Sir Walter Congreve, assembled to enquire into the scheme (Annexure 2) submitted by Air-Marshal Sir H. M. Trenchard, for the defence of Mesopotamia by the Royal Air Force, in conjunction with local forces.

The Chairman briefly reviewed the report, and presumed that the recommendations of the Air-Marshal would provide for the protection of the High Commissioner at Baghdad, as well as for a garrison at Amara. He enquired whether there were cantonments at Amara at the present time. *General Haldane* replied that there were only a few mud huts and temporary structures, which had been utilised by the army during the war. The reason for his recommendation that the garrison should be stationed at Amara rather than at Baghdad was that in the event of hostile action by the people of Mesopotamia, there would be 300 miles less of lines of communication to guard. He pointed out that in considering this matter, he had to provide for the least favourable contingency, and to assume that the local populace, which was fully armed, was hostile. Reasons of health was another argument in favour of Amara, which, although as hot as Baghdad, was more healthy. *General Congreve* submitted that Amara was well placed to protect the oil fields, and that it could be used as a base, from which we could more readily reinforce the army in India should it be necessary to do so.

The Air-Marshal stated that under his scheme he would have approximately 1,800 men stationed in Baghdad. He did not anticipate that it would ever be necessary to remove this force by air, as he thought it would be able to hold out until relief arrived, in the event of a general hostile rising.

The Chairman was not entirely in agreement with the General Officer Commanding in his recommendation. He thought that if the force were ever cut off, it would be better if they were concentrated in Baghdad. He thought that it would be

possible to overcome the difficulties of protecting the additional length of lines of communication. The troops would also be able to enjoy amenities such as electric light, good water supply, more efficient hospitals and improved conditions of recreation in Baghdad to an extent that would be impossible in Amara.

General Haldane stated that the difficulty of protecting troops moving up and down the river arose from the danger of their being fired at from the river banks, which rose 20 feet above the narrow channel of the stream. None of the boats which he now had were bullet proof. It would be impossible to embark troops upon the gunboats, though he thought it would be necessary to retain these if it were decided that the river line of communication should be kept open.

The Chairman suggested that it would be possible to keep the bank clear of snipers by erecting some kind of platform on the vessels, on the top of which could be placed machine guns, which could sweep the banks and keep them clear of the enemy. *General Haldane* replied that during the operations time had not permitted of such an experiment being made, but he thought that it might be possible to arrange something of this nature, though it would need careful consideration owing to the shallow draft of the boats, which might be inclined to capsize if the super-structure were too high.

In reply to the Chairman, *General Radcliffe* stated that although he had not had an opportunity of consulting him, he felt sure that the C.I.G.S. would not agree to keep a military force in Baghdad which could not be moved by air, and whose communications were not guarded by British troops.

General Haldane, Colonel Frith and Mr. Crosland agreed that it would be more expensive if the troops were stationed at Baghdad, owing to the additional cost of labour and communication service.

The Chairman felt that the scheme was open to grave risks, as, if there were a concerted action against the British in Baghdad, it would be impossible for the aeroplanes to operate, as the aerodromes and depots would be liable to attack.

The Air-Marshal stated that if there were no serious risk owing to the extended lines of communication, he would prefer to have the troops stationed in Baghdad concentrated with the Air Force, and he ventured to remind the Chairman that although he had not assumed that the entire Arab army and populace would be hostile to us, he had also a force of armoured cars, which would be utilised to protect the aerodromes and depots, from which the aeroplanes would operate. The Air-Marshal stated that if it were decided to carry out his proposition it would involve an additional expenditure this year amounting, if it was necessary for him to be ready in May or June next year, to approximately 320,000*l.* for new machines and additional personnel, made up of 200,000*l.* for personnel, &c., and 120,000*l.* for Vickers Vimy machines; this is, provided the Army can assist us with additional personnel when the Air assumes responsibility next year; but if the Army were unable to assist us with personnel, it would necessitate our spending at least 500,000*l.* this year additional. Even then it is doubtful if we could get the additional personnel or accommodate them in time.

The Chairman stated that he anticipated it would not be difficult to obtain this extra vote, especially as such a small amount had been allowed for commercial aviation. He was inclined to think that if His Majesty's Government ran the risk of losing 1,800 men with very costly stores and machines, the risk would not be very much more serious if an additional 3,000 men were garrisoned with them at Baghdad, while this extra force might be strong enough to prevent the commencement of hostilities on a large scale in the first place. Assuming the worst aspect, it would be necessary to send an expedition to relieve either the 1,800 men of the Air Force or the garrison, if the latter were stationed at Baghdad, and he felt that he must ask that stronger arguments be given him before he could accept the Amara proposal. An alternative might be the provision of a British force of constabulary, which he had mentioned at a previous meeting. He asked that the Sub-Committee should again meet and formulate further proposals.

SIXTH MEETING OF THE COMBINED POLITICAL AND MILITARY COMMITTEE.

MARCH 19, 1921.

Present:

The Rt. Hon. Winston Churchill, M.P. (*Chairman*).
Sir Percy Cox, G.C.I.E., K.C.S.I.
Lieutenant-General Sir J. A. L. Haldane, K.C.B., D.S.O.
Lieutenant-General Sir Walter Congreve, V.C., K.C.B. (*Chairman of the Military Committee*).
General Sir P. P. de B. Radcliffe, K.C.M.G., &c.
Air Vice-Marshal Sir G. Salmond, K.C.M.G., &c.
Major-General S. W. E. Ironside, K.C.B., C.M.G., D.S.O.
Major-General H. H. de V. Atkinson, C.B., C.M.G., C.I.E.
J. B. Crosland, Esq.
Colonel J. H. K. Stewart, D.S.O.
Colonel G. R. Frith, C.M.G., D.S.O., R.E.
Colonel T. E. Lawrence.
Colonel B. H. S. Waters-Taylor, C.B.E.
Major H. W. Young, D.S.O.
Miss Gertrude Bell, C.B.E.
Major Eadie.
R. D. Badcock, Esq., M.C. (*Secretary*).

The Chairman read the report (Annexure 3) of the Sub-Committee reassembled to enquire into and advise on the formation of the Defence Force in Mesopotamia, and to make recommendations as to the most suitable station for the garrison in the event of the proposal of the Air-Marshal for the defence of Mesopotamia being accepted. It was decided to add to the report that Amara was capable of being made a more popular station by the planting of trees and by laying out a suitable station.

The Chairman reserved his opinion on the comparative merits of Baghdad and Amara. He pointed out that it would be impossible to make any definite decision, certainly before one year, and perhaps before two, as it would be impossible to decide upon the extent of the permanent garrison until then. He suggested that the General Officer Commanding should nevertheless enquire into the scheme, on the spot on his return, in order that alternative proposals might be formulated for consideration when the time came.

ANNEXURE 1 TO APPENDIX 13.

MINUTES OF THE THIRD MEETING OF THE JOINT POLITICAL AND MILITARY COMMITTEE.

ASSEMBLED AT 11·30, MARCH 16, 1921.

President:
Lieutenant-General Sir W. Congreve.

Members:
Sir Percy Cox.
Air-Marshal Trenchard.
Lieutenant-General Haldane.
Major-General Radcliffe.
Major-General Atkinson.
Wing Commander Burnett.

Secretary:
Lieutenant-Colonel Waters-Taylor.
Major Young (absent).

1. The minutes of the previous meeting are read and amended.
2. The C.A.S.'s scheme for the control of Mesopotamia was considered by the Committee.

3. C.A.S. agreed to substitute in his scheme the term local forces for Arab army whenever the latter expression occurs.
4. C.A.S. agreed to amend sub-paragraph (*d*) of paragraph 1 to read as follows: "Every effort will be made to reduce the numbers of small garrisons distributed throughout the area."
5. The question of a site for the Baghdad Air Base on the W. or the S.W of Baghdad was discussed and the Committee decided that the advantages of the Hinaidi site outweigh any possible advantages of the W. or S.W. ones, as light and water services are installed at Hinaidi and a considerable expenditure has already been made on the erection of permanent and semi-permanent buildings and the provision of roads.
6. The Committee recommend that the L.A. Car Companies should be under the control of the R.A.F., both for purposes of unity of command and economy in upkeep, the resources of the repair shops for R.A.F. and armoured cars thus being pooled. The Committee recognise that a principle requiring War Office decision is involved, but recommend, pending a final decision as to policy, the retention in Mesopotamia of all armoured cars and personnel.

An urgent decision is necessary to enable the R.A.F. to recruit and train sufficient armoured car personnel to be able to function when the C.A.S. scheme comes into operation, estimated to be about April 1922.

7. The Committee recommend also that the river gun boats and armoured (or protected) trains should be taken over by the R.A.F. The armoured trains in Mesopotamia have proved of small value owing to the ease with which they are isolated by tearing up the rail; several have been lost in this way. The Committee suggest, as worth of consideration, the means adopted by armoured trains in Poland to meet such tactics. The Polish trains carried with them Renault light tanks, capable of embarking the train crews and of driving off attackers and ensuring the recovery of the train.
8. The Committee recommended that when the C.A.S. scheme comes into operation, the Imperial forces to be retained in Mesopotamia should be on the strength of 1 brigade plus 1 pack battery. The force to be located as follows: H.Q.'s 3 battalions less 1 company, 1 pack battery at Amara, 1 battalion at Basra, 1 company at Baghdad as High Commissioner's bodyguard. The Committee have selected Amara, as the garrison there is at the strategic point which covers the oil-fields, its communications are secure and it is the healthiest spot obtainable. The force would not be mobile, and, in the event of grave emergency, reinforcements would have to be found from elsewhere.
9. The Committee accept in principle the C.A.S 's scheme. The Committee explored alternate avenues, but came to the conclusion that the only means by which a reduction from the twelve battalion to the four battalion scheme could be effected was by the measures set forth in the C.A.S.'s scheme.
10. The Committee are most strongly of the opinion that an efficient centralised Intelligence Department is essential to the success of the C.A.S.'s scheme.
11. The Committee have requested Mr. Crosland of the War Office to prepare a statement showing comparative costs of (*a*) 12 battalions infantry, 1 cavalry regiment, 1 field battery, 1 pack battery, 1 S. and M. company, plus 6 squadrons R.A.F., plus local forces; (*b*) 1 brigade of infantry and 1 pack battery, plus the forces set forth in the C.A.S.'s scheme, plus the local forces.

The Committee are most strongly of the opinion that, in calculating the advantages of these two proposals, consideration should be given to the vital necessity of preparing and training an Air Force adequate to our needs in war, the importance of testing the potentialities of the Air Force, the need for giving its superior officers and staffs the experience in independent command and responsibility, and the provision of an "All Red" military and commercial air route to India.

12. The Committee point out that, to bring the C.A.S.'s scheme into operation by April 1922, it is necessary to order the construction of a Vickers-Vimy squadron at once, as it will require one year from the date of the receipt of the order to complete.

Annexure 2 to Appendix 13.

Scheme for the Control of Mesopotamia by Royal Air Force.

1. *Political State of the Country.*

In formulating the following scheme the assumptions mentioned hereunder have been taken :—

(*a.*) As a result of the selection of an Arab ruler satisfactory to the country, the country is free from organised rebellion, but is liable to ordinary spasmodic disturbances in districts that take place.

(*b.*) Political indications may be regarded as not pointing to the imminence of external attack from Turkish or Bolshevik sources.

(*c.*) The functions of such garrisons of Arab troops as exist, will be merely to maintain order in the immediate vicinity of the stations, which are enumerated hereunder.

(*d.*) The necessity for keeping small garrisons distributed throughout the country for the purposes of collecting taxes need not be considered.

(*e.*) If any British troops are kept in the country they are stationed at a suitable health resort as a reserve for a great emergency, and not for the running of the country.

2. *Location of Main Base.*

Bearing the above assumptions in mind, it is considered that Mesopotamia can be efficiently controlled by an Arab army assisted by the Royal Air Force and armoured cars, the two latter forces operating from not more than three main bases. Although the actual places can only be decided upon by local consideration on the spot, it would appear that three main bases can be located in or about the following places :—

(i.) *Baghdad.*—(Or Felujah or some spot S.W. of Baghdad on the edge of the desert.) This should be the largest station capable of holding six squadrons in normal conditions to be increased by two more in an emergency. Here also will be located a portion of the repair depot and armoured cars repair depot designed to maintain those squadrons. Barracks and shed accommodation will have to be provided on the most economical scale that is possible without losing efficiency.

(ii.) *Basra or Shaibah.*—At this station there will be accommodation sufficient to hold two squadrons, but capable of taking four squadrons in an emergency. A large portion of the depots enumerated in (i) will also be accommodated here. The barrack accommodation here will not be for more than the personnel of two squadrons and the added depot personnel.

(iii.) *Sherqat or Mosul.*—This station need not always necessarily be occupied by aircraft and their personnel. It is intended only that two squadrons should be located here when required. The hangar and barrack accommodation will not be as efficient or complete as that mentioned in (i) and (ii), as the station will not necessarily be always occupied.

3. *Auxiliary Aerodromes and Landing Grounds.*

A certain number of aerodromes and landing grounds should be selected at various points throughout the country with due regard to political and military considerations. These aerodromes and landing grounds may be roughly classified into two types (A) and (B).

Classification (A)

These aerodromes should be capable of taking a complete squadron under war time conditions. They would be guarded by detachments of the Arab army only and should only be located at places where detachments of the Arab army are likely to be maintained. A certain amount of petrol and oil and spares sufficient to maintain a squadron for six days or thereabouts should be kept, and in addition it might be found advisable to have a workshop lorry or a portion of workshop machinery permanently left there. The provision of suitable defences for aerodromes, and such

protection as is considered necessary for a squadron of machines, and the various stores and machinery located at this type of aerodrome will be the responsibility of the Air Officer Commanding, working with the Arab army.

Classification (B).

The same provisions which have been quoted as necessary in the case of (A) type aerodromes are similarly applicable to (B) type aerodromes, except for the fact that they need only be capable of receiving aircraft up to the number of six, which it is intended should only remain for the day or possibly a couple of days. This will necessitate the maintenance of a somewhat smaller stock of petrol, oil, spares, &c.

Suggested aerodromes which might fulfil the classifications are as under, but it is recommended that the actual grounds are decided upon after careful investigation by the Air Officer Commanding in conjunction with the appropriate authorities on the spot.

Arbil.	Nasiriyeh.
Kirkuk.	Samawah.
Kifri.	Diwaniyeh.
Khanikin	Hillah.
Kut-el-Amara.	Hit.
Amara.	Ana.

It should be clearly understood that no squadrons should be located at any time in a place where trouble is actually taking place or may appear imminent. This does not refer, of course, to the three main stations. The guiding principle should be to withdraw the squadron from such a place to the next available aerodrome or landing ground of a suitable nature if the main aerodromes are not suitable, and allow it to operate from there. Its maintenance and repair work can then be carried out without the additional complications which would be caused were it to be faced with having to deal with disturbance at its own doorstep. This may mean that detachments of the Arab army may be cut off from their normal sources of supply, and may have to hold out. This they should be able to do for one month at least, and to assist them one or more of the Vickers Vimy Squadrons should be employed in keeping them supplied by air or actually carrying reinforcements to them when necessary. This will, of course, necessitate landings being made, which, in turn, means that aeroplanes while on the ground will require some form of protection.

4. *Aeroplanes required.*

With an Arab army properly equipped and trained and located to the best effect in the country, it is considered that the Air Control of Mesopotamia can be satisfactorily accomplished by the employment of the following squadrons :—

4 single-engined two-seater squadrons. (D.H.9a.)
1 single-seater squadron. (Snipe.)
1 corps reconnaissance squadron. (Bristol fighter.)
2 twin-engined bombing squadrons (Vickers Vimy, converted to commercial type to take ten to twelve armed men, and capable of carrying a load of cargo for the purpose of supplying posts of troops by air).
In addition it may be necessary to add a further two-seater reconnaissance squadron.

5. *Armoured Cars.*

Armoured cars should normally be stationed at and form a portion of the garrison at the three main stations.

It is advocated that from four to six armoured car companies be employed, and that the personnel and vehicles be maintained by R.A.F., and manned by R.A.F. personnel. The reasons for this contention are :—

(*a.*) The R.A.F. is bound to have its own transport workshop to undertake the constant repair of mechanical transport which they use, and in these workshops repairs can also be effected to the armoured cars.

(*b.*) Technical personnel are required for the handling of armoured cars as well as for the handling of aircraft. The personnel to man armoured

cars could, therefore, be roughly of the same type and same categories as those belonging to the R.A.F.

(*c.*) With R.A.F. personnel in the air and R.A.F. personnel operating the armoured cars, the closest possible liaison between them could be assured. It must be remembered that in the initial stages it may be necessary to attach a certain number of men from the Army to run the armoured cars. If they were willing to transfer to the R.A.F. this would be more satisfactory as it would take time to enlist and train sufficient men for this purpose.

Stores and spares for the purpose of maintaining the armoured cars will always be held at main bases from which they will operate. It is, however, necessary that a small quantity of petrol and oil and assorted spares should also be held at selected (A) or (B) type aerodromes and landing grounds to allow for the occasion on which the armoured cars would be employed at some distance from their proper bases in conjunction with air units. The main repair units for armoured cars should be located at Baghdad, but again this may be investigated on the spot.

6. *Armoured Trains and River Gunboats.*

The provision of two armoured trains and three to four shallow draught river gunboats would prove of value in keeping open the rail communications in connection with this scheme.

7. *Communications.*

(a.) *Roads.*

The normal means of communication between the three main bases will be by the existing river and rail lines, but the simplicity with which these lines may be cut at any time must not be lost sight of. The alternative which must be considered is that of opening a road which bounds the fringe of the desert on the western edge of Mesopotamia and keeps clear throughout its course of the area under irrigation. Information which has been received points to the possibility that this can be achieved, and the road, capable of carrying fairly heavy transport occasionally, should be used between Busra and Felujah viâ Samarah, following the fringe of the desert which borders Mesopotamia on the west. With experience and use this road could be of value if the garrison were besieged during times of stress.

Another main road which must be considered in connection with the air route to be described hereunder is also considered as essential to the success of the scheme of air control.

This is the route from Egypt to Mesopotamia starting from Amman in Eastern Palestine and running to Ramadie. This route is to be opened at once, and the method suggested is to make a jump forward of 80 miles or so at a time, establishing at each jump small dumps of petrol and suitable landmarks to assist in marking the route. The care of the dumps of petrol and landmarks should be entrusted to the local Sheikhs who should be paid for the services of personnel employed on their safe keeping and efficient maintenance.

The next stage would be the establishment of somewhat larger dumps about 200 to 250 miles apart. The accomplishment of the placing of these dumps should be effected by ordinary light transport.

The result would be that an efficiently marked out course across the desert would appear, and with constant use it would become familiar to its users throughout the whole length of its course. The civilising effect of an achievement of this nature is obvious.

Occasions may arise on which certain dumps of petrol would be looted, and the road may possibly be cut. With the assistance of aircraft, however, the disadvantage of this disappears somewhat. Aeroplanes acting in conjunction with armoured cars which are engaged in prospecting or patrolling the route can speedily take sufficient action to reopen the route.

A necessary adjunct to the commencement of the operation with a view to the opening of this route is a satisfactory arrangement of the political conditions in Transjordania or Eastern Palestine. The concurrence of the High Commissioner will have to be sought before the work could be actually commenced.

(b.) *Air Route.*

The opening of a well-defined air route between Egypt and Mesopotamia is vital, not only to the Air control of Mesopotamia, but to the whole policy of our administration in the Middle East. The dumps of petrol supplied in the first instance by the somewhat laborious process of light transport could, in the future, be maintained by air from either end of the road route.

(c.) *Wireless.*

Wireless communication is already established between the two ends of the road route.

The maintenance of efficient wireless communication throughout the route should go far to ensure that constant touch is kept with all aircraft (and possibly motor transport too) proceeding along the route, thereby enabling assistance to be sent by aircraft should they require it, or to occupants of motor transport in the case of breakdown or attack.

Apart from the wireless equipment of the aerial route, wireless personnel and equipment should be distributed as widely as possible throughout all aerodromes, landing grounds, and stations where detachments of Arab troops and political officers are located throughout Mesopotamia. The principal value of the air as a backing to the efforts of the Arab army in the maintenance of internal order is the fact that the air is able to answer requests for assistance with a celerity which no other arm is capable of. To enable detachments of the Arab army, therefore, to call for this assistance when they require it the ample provision of wireless equipment is most vital, and this particularly applies even in cases where political officers are isolated by themselves without any detachments of the Arab army in the vicinity. Native telegraphists may well be used in this connection.

8. *Intelligence.*

The Air relies upon instant action for the full realisation of its power. It is, therefore, most necessary that an efficient intelligence system should be devised whereby the earliest possible information may be given of any signs of disorder or rebellion, so that the Air may be able to take militant measures and check it in its incipient stage.

The best officers procurable should be selected for the control of the Intelligence Department as this will be of the most vital importance to the success of the scheme.

9. *Political Officers.*

Political officers should not have to go to districts which are likely to prove troublesome They should only be sent to places which are normally peaceful. If districts do become truculent it is then that the Air should apply such action as may be necessary to ensure their return to more peace conditions.

Where any political officer is stationed, a regular routine programme or aeroplanes visiting that station, if within range of a landing ground, should be carried out as part of the regular method of control.

10. *Arab Army Garrisons.*

An Arab army of 15,000 men, of which a proportion could be formed from refugees, is considered necessary for this scheme and will have to be maintained. The three main R.A.F. stations will absorb a good proportion of this force, and the remainder will be stationed at the places which are considered most essential from a purely administrative point of view, provided that a class (A) aerodrome or certainly a class (B) aerodrome is in the vicinity. In this connection it is pointed out that if for any reason it was necessary to retire from one of the outlying stations the loss of prestige would not be so great as the withdrawal of British troops would occasion. Even if it unfortunately happened that an Arab garrison was wiped out, again the loss of prestige would not nearly be so great as if it happened to a British garrison. It might always be possible to withdraw a garrison by air.

The need for a large Arab garrison at Baghdad is not great, but the provision of white military mounted police would be advisable.

11. *British Garrison.*

It would be an advantage to the country if the expense is not too great, to have a British force, of all arms, stationed in some healthy place not too far from the coast as a semi-permanent garrison for the next few years as the moral effect of a force such as this would be very great and would ensure a continuous settled régime in Mesopotamia. It would only be wanted in a great emergency as if the arrangements indicated above were carried out they would not be wanted for the immediate running of the country and would not be vitally necessary even to save the country as if the situation got very serious and Baghdad was even cut off completely, Indian troops could be brought to the spot in the same way as was done in the last rising. With British forces in the country the moral effect might be such that a serious situation would not arise and the British troops would be sufficient to deal with any but a really great emergency.

12. *Commands.*

To render the Air Force scheme of control a success after the conditions enumerated above have been realised, it is absolutely essential that the command of all the forces in Mesopotamia be vested in an Air Officer, who should serve under the superior political authority.

Given the best will in the world it cannot be possible for the instructions of an Air Officer to be carried out through an intermediary Military commander. In an essentially Air scheme which has been propounded above, the lack of knowledge of the Military commander in Air matters would only tend to produce serious arguments as to the nature of any operations which might be required for any purpose, and also with regard to the actual means of the carrying out of the operations themselves. Should a Military commander prove to be very strong willed with an overpowering personality there is no doubt that he would overinfluence and direct the plans and decisions of the Air Officer serving under him. This, of course, would only tend to produce entire confusion, and foredoom the scheme a failure.

13. *Administrative Officers.*

It will be necessary in the first instance to request the loan from the army of a number of administrative officers, owing to the Air not having sufficient numbers at the moment. Although the Air has officers capable of this work their numbers are not sufficient to undertake a large and new responsibility like this, and there is not a great force to draw upon for this purpose as in the case of the two elder services.

(Signed) H. TRENCHARD.
C. A. S.

March 12, 1921.

C.A.S.

NOTE ON DEFENCE OF AERODROMES.

1. The guiding principle in the provision of suitable defences for aerodromes and landing grounds is that in every case it should be left to the initiative of the local commander to provide the nature of the defence which is best suited to the locality or station for which he is responsible. Although a number of most useful suggestions can always be circulated to local commanders by the superior Air authority, it must be borne in mind that these instructions must on no account be regarded as hard and fast rules for the defence of an aerodrome. Anything in the way of a strictly rigid plan can only lead to extravagance and in many places prove entirely unsuitable for providing efficient defence arrangements.

2. With regard to stations, however, it is suggested that the garrisons should be well sited and have properly constructed entrenchments, cupola steel towers, machine-gun emplacements, barbed-wire entanglements, &c. In addition the hangars themselves should be surrounded with walls or banks of earth some six feet high.

3. (*A*) *Type Aerodromes.*—It will not be necessary to have an elaborate defence for (A) type aerodromes, but possibly some form of protection in the way of a Serai or actually a shed with protected banks round it.

4. (*B*) *Type Aerodromes.*—Will have little or no protection, but there might possibly be a low wall or even a Serai provided if the funds available admit of it.

ANNEXURE 3 TO APPENDIX 13.

MINUTES OF THE FOURTH MEETING OF THE JOINT POLITICAL AND MILITARY COMMITTEE.

ASSEMBLED AT 9 A.M., MARCH 18, 1921.

President:
Lieutenant-General Sir W. Congreve.

Members:
Lieutenant-General Sir J. A. L. Haldane.
Major-General Sir P. P. de B. Radcliffe.
Air-Vice-Marshal Sir G. Salmond.
Mr. J. B. Crosland.

Secretary:
Lieutenant-Colonel Waters Taylor.

1. The Committee proceed to weigh the respective advantages of Baghdad and Amara as stations for the Imperial forces remaining in Mesopotamia on the C.A.S.'s scheme for control of Mesopotamia by the R.A.F. and local forces coming into operation.

2. For the present the Committee do not consider that an Imperial force stationed at Baghdad can do without two extra battalions L. of C. troops, it being at present, and probably for a considerable time to come, inadvisable that military forces should not be responsible for their own communications; but the Committee recognise that experience may show that improved river gunboats and R.A.F. developments may reduce the number of L. of C. troops.

3. The Committee recognise the advantage of concentrating both Imperial and Air forces at Baghdad, but for reasons stated in the above paragraph point out that until experience has proved to the contrary, the location at Baghdad of the Imperial troops necessitates an addition of two infantry battalions as L. of C. troops to the original force of four battalions and one pack battery.

4. The distribution of this increased force would be as follows:—

Baghdad: 2 battalions, 1 pack battery.
L. of C.: 3 battalions.

5. The Committee at their previous meeting requested Mr. Crosland to prepare a statement showing the comparative cost of—

(*a.*) 12 battalions infantry.
1 cavalry regiment.
1 field battery.
1 pack battery.
2 s. and m companies.
plus 6 squadrons R.A.F.
plus local forces.

(*b.*) 1 brigade infantry.
1 pack battery.
plus the forces set forth in C.A.S.'s scheme.
plus local forces.

The exact composition of the two alternative garrisons would be:—

(a.) *Twelve-battalion scheme:*—
2 British battalions.
10 Indian battalions.
1 cavalry regiment.
1 R.F.A. battery.
1 Indian pack battery.
2 s. and m. companies.
plus departmental and ancillary services, together with
6 squadrons Royal Air Force.

The troops to be on the line Basra to Baghdad.

(b.) *Four-battalion scheme*:—
1 British battalion.
3 Indian battalions.
1 Indian pack battery.
plus details, together with full air scheme of
8 squadrons, &c., the Air Force to provide its own ancillary services.

The troops to be mainly at Basra and Amara, or alternatively mainly at Baghdad.

6. Mr. Crosland estimates the annual cost roughly as follows:—

	Million £.
(*a*.) The Imperial force of 12 battalions, &c.	$4\frac{1}{2}$
6 air squadrons (Sir H. Trenchard's figure)	$1\frac{1}{4}$
Total	$5\frac{3}{4}$

Say, 6 million £.

(*b*.) The Imperial force of 4 battalions. if mainly at Amara	1
Full air force, 8 squadrons, &c. (Sir H. Trenchard's figure)	$2\frac{3}{4}$
Total	$3\frac{3}{4}$

Say, 4 million £.

If, however, the Imperial forces were mainly at Baghdad, the extra cost of transport would add perhaps $\frac{1}{4}$ million £; and if the battalions were all *British* there would be a further extra cost of some 360,000*l*. Thus the four-battalion scheme with the force mainly British and mainly stationed at Baghdad would probably cost some $1\frac{3}{4}$, plus $2\frac{3}{4}=4\frac{1}{2}$ million £.

Further, if the stationing of the main Imperial forces at Baghdad involved battalions on L. of C., making the total number of battalions six instead of four, an extra half-million or so would have to be added to the cost.

7. To sum up, the Committee, whilst recognising the advantages in concentrating the Imperial forces at Baghdad, consider that Amara is the best location for the troops for the following reasons:—

1. Economy.
2. The fact that Amara forms a safeguard to the oil industry and a bridgehead to any force arriving from India.
3. It has trees and bathing facilities, and could be made into a more popular station than Baghdad.
4. That the C.A.S. expressed himself satisfied with it as a location for the troops.
5. That the accommodation already existing at Baghdad will be occupied by R.A.F.

The Committee would also point out that though the Air Force could possibly relieve and supply itself by the air in case of emergency, it could not do either for the larger force.

Appendix 14.—Refugees.

EXTRACT FROM MINUTES OF THIRD MEETING OF THE POLITICAL COMMITTEE.

MARCH 14, 1921.

(For remainder of minutes and composition of Committee, see Appendix 6.)

In reply to a question by the Chairman, *Sir Percy Cox* stated that it would be difficult to provide for the support of the refugees from the 1st April, 1921, when the army would cease to maintain them. *Miss Bell* stated that she feared that if a number of destitute persons were thrown upon the country it was probable that they would fail to obtain employment, and would therefore only be a source of crime.

The Chairman, while fully appreciating the difficulty of the situation, regretted that it was impossible to meet this charge from Imperial funds, and suggested that the employment of the Assyrians in the local army might be worthy of consideration.

In reply to a question by Colonel Lawrence, *Sir Percy Cox* agreed that if it were possible for them to be controlled by British officers, there would be little fear of public insecurity from them, but as most of them had their families with them they were not only immobile, but needed greater means of support. He said that they originally left Turkey owing to the general anarchy there, but that the Turks did not want them to return.

Major Young observed that the question of their emigration to America was already under consideration, but it was most unlikely that this could be arranged. The American Committee for Relief might be able to give them a little money, but this body was winding up its affairs, and could not accept any extension of their existing responsibilities.

The discussion then passed to the question of the refugees. *Major Young*, in reply to the Chairman, gave the departmental point of view, and stated that the American Mission for relief had been approached before his departure from London, and although declining to embark upon any commitment which might become a permanent charge, yet they were ready to augment any sum which was found by the British Government, by way of capital assistance, which would enable the mission to wind up its affairs in Iraq.

Major Young considered that as a decision had now been arrived at on the subject of Kurdistan, it would provide a solution if a number of the refugees were enlisted in the local force, which it was proposed to raise, and he suggested that Major-General Ironside should enquire into the question during his forthcoming visit to Mosul, and should, in conjunction with the British Political Officer there, prepare a report for submission to Sir Percy Cox.

Miss Bell pointed out that only a small number of the refugees were bachelors, and that it would be difficult for the married men to be enlisted.

Sir Percy Cox agreed that, provided both the Assyrians and the Kurds were placed under the control of British officers, the solution would be satisfactory.

The Chairman emphasised that no funds were available for the maintenance of these people, and he suggested that the Russians should be shipped to Constantinople; the Armenians repatriated; and the Assyrians and Kurds either enlisted or settled on the land. He agreed that General Ironside should enquire into the matter, and he stated that if it were only a question of providing a small amount of money to enable these destitutes to fend for themselves and to earn their own living, he thought it might be possible to obtain it. He asked Sir Percy Cox to discuss the matter with Major Young, and to put up definite proposals on these lines.

NOTE ON REFUGEES.

1. *Armenians.*

In camp near Basra; about 14,000. Not yet warned by ultimatum. Baghdad wired on the 14th asking if new situation could be seized upon for their shipment to Armenia. No provision has been made in the 30 millions for their maintenance. They cannot be absorbed in Mesopotamia or repatriated by land. There are therefore only two possible alternatives: either to turn them adrift, in which case they would die; or to ship them either to Armenia or some other destination, which would involve some expenditure.

The first of these alternatives cannot be entertained without loss of prestige. They must therefore be shipped away, preferably to Armenia. The first step appears to be to arrange the shipping and notify the Foreign Office that we are sending them back to the neighbourhood of Armenia, asking them to advise at what port on the Black Sea they should disembark.

(A draft telegram is submitted.)

2. *Russians.*

In camp at Basra; about 800. Not yet warned by ultimatum.

These refugees were evacuated from the Caspian by military authorities as a war measure. No provision has been made in the 30 millions for their maintenance. They are really no concern of Colonial Office or Mesopotamian Government. It is

not practicable either to keep them in Basra or to send them back to Russia. They are in the same position as the Russian refugees in Egypt, who are being well looked after by the military authorities and helped by local charity.

The most economical step would be to ship them to Egypt to join their compatriots, who are under War Office charge. It was the War Office which arranged for their evacuation from Enzeli on some conditions entered into with Bolshevik commander. Egypt is at any rate one step on their way home. There will be considerable mortality among them if they remain in Basra through the hot weather.

(Draft telegram is submitted.)

3. *Assyrians.*

There are now 12,000 Mountaineers and 8,000 Urmian refugees in camp at Mindan, near Mosul.

The Urmians have had one chance of getting back and failed. They have been warned that from the 1st April no funds are available for their maintenance, and they must fend for themselves from that date. If they decide to make another attempt to get home some small provision of arms will be necessary as their villages are now occupied by Kurds. Even this will probably not save them from being killed. Two alternative proposals have been made for them:—

(*a.*) Emigration to America. This has been examined and rejected.

(*b.*) Emigration to French zone. The Foreign Office asked the French Government to let them know definitely by the 28th February if they would receive them, and said that in default of a reply by that date we would consider ourselves free to make our own arrangements. No report has been received of result of this communication.

The American relief fund is prepared to consider a proposal that they should share any initial expense incurred in settling either Urmians or Mountaineers, but as Urmians cannot be settled locally this will not help us as far as they are concerned, except that the Americans may like to provide them with small outfit on leaving.

Failing the French solution and in default of a recurring and indefinite liability on the British or Mesopotamian taxpayer, the only course open to us appears to be to arm them and turn them cut to fight their way back if they can. A small number may perhaps find their way into the new levies.

Mountaineers.—The camp will be broken up on the 1st April. There seems a fair prospect of these 12,000 being settled locally in conjunction with the new levy scheme. A certain number will also be absorbed in the levies themselves.

The capital expenditure involved in disposing of them should not be provided for in the Mesopotamian budget, but must be met by the grant-in-aid, relieved as far as possible by the help of American charity. We must be prepared to face a possible maximum of 200,000*l.* non-recurring expenditure on refugees for this year, as against the large yearly total on maintenance in previous years.

(A draft telegram is submitted.)

(Signed) P. Z. COX.

Appendix 15.—Mesopotamia: Finance.

FIRST MEETING OF COMMITTEE ON MESOPOTAMIAN FINANCE.

MARCH 19, 1921.

Present:

The Right Hon. Winston Spencer Churchill.
Sir Percy Cox, G.C.I.E., K.C.S.I.
Major-General Sir P. P. de B. Radcliffe, K.C.M.G., C.B., D.S.O.
Major-General Atkinson, C.B., C.M.G., C.I.E.
Colonel T. E. Lawrence.
Colonel Slater.
Major H. W. Young, D.S.O.
R. D. Badcock, Esq.

After discussion of the reports submitted separately by the Financial Adviser in Mesopotamia, *The Chairman* agreed with the remainder of the Committee that it

was preferable to consider all expenditure and receipts in Mesopotamia, whether civil or military, up to and including the 31st March, 1921, as Imperial. The accrued surplus of approximately 300 lakhs which was claimed by the Mesopotamian Government would thus remain with His Majesty's Treasury, and all outstanding claims by His Majesty's Government against the Civil Administration of Mesopotamia would be wiped out.

This might entail some reduction in the large staff of clerks who were now said to be engaged in Mesopotamia in endeavouring to assess various claims as between the Civil Administration and the War Office. It would also allow of a corresponding reduction in the finance staff of the Military Administration. All charges in respect of the mandated territories in the Middle East, both military and civil, would come on the Middle Eastern Services Vote.

Sub-Committee to report on the possibility of the purchase of certain public works in Mesopotamia by the Arab Government.

Members:

Major-General Atkinson.
Mr. Crosland.
Colonel Frith.
Lieutenant-Colonel Slater.

1. A report was prepared in 1919 on this subject by Sir John Hewett, but the data and proposals are now very much out of date.

2. A very large amount of the property of His Majesty's Government in Mesopotamia is not only useful to the country but vital to its development. The present financial circumstances of the country however, preclude payment for this property unless the valuation is reduced on very liberal lines and the capital sum is regarded as a loan on which interest is paid and is within the means of the Mesopotamian Government to pay. As all attempts to take over these properties with a view to commercialise them have been hung up owing to no definite decision being forthcoming as to the terms of capital cost, the Committee consider it vital that these decisions should be come to at once if military estimates are to be relieved of these burdens in the near future. This is entirely a matter for His Majesty's Treasury.

3. A great deal of property has been already handed over to the Mesopotamian Government, without any definite decision as to capital value. This represents:—

(1.) Port.
(2.) Railways.
(3.) Posts and telegraphs.
(4.) Certain bridges.

4. *Port.*—This only awaits negotiation with the Treasury, and a valuation has been sent home by G.H.Q. to the War Office.

Railways.—It is believed that negotiations are on hand to form a company to take over certain railways. The Civil Government, however, can only take over as a capital purchase for commercial purposes the Baghdad–Basra–Khaniqin Railway.

The Baghdad–Kut, Baghdad–Fallujah and Baghdad–Shergat lines are now entirely required for military purposes, and, though the Mesopotamian Government or company would be willing to run these lines, the actual running costs would have to be charges to the military authorities. As the reduction of garrison stations takes place the lines serving these stations could be dismantled or disposed of.

But the military authorities consider that, though they will mainly use the river route between Kut and Baghdad in the near future, the Kut–Baghdad Railway must be maintained for the present. If maintained solely for military purposes the cost of maintenance would be a direct charge against military estimates, but, if the line were run by the Mesopotamian Government or a company for general traffic, the military estimates would be charged a proportionate share of the rates charged to cover the loss involved on the Baghdad–Basra Railway by the competition of the Kut–Baghdad Railway, subject to any military concession which may be in force, and subject to any reservations which the Treasury may make in fixing the capital cost.

Posts and Telegraphs.—The only outstanding point is a decision as to the cost of certain telephones taken over as a temporary measure pending the provision of more efficient machines.

Bridges.—Practically every bridge has been taken over except Ramadi and Dhibbin, which were required for purely military purposes, but, if a liberal view of

capital price is taken, the Civil Government should take over the responsibility for all bridges.

E. and M. Services.—The Civil Administration were always anxious to take over the E. and M. Services, but, at the present moment, their revenues will not permit them to take over the financial responsibility for this large service.

They are prepared to take over a large number of the power plants with a view to them being worked by companies or municipalities.

Here again the want of decision as to capital cost has held over these negotiations.

A Committee has been formed in Baghdad to consider each installation in detail, and it is hoped His Majesty's Treasury can give an early decision as to the terms on which they can be handed over.

There are, however, many services which cannot be commercialised and are used for purely military purposes, and these must be handed over to the Disposals Board when no longer required by the military, if the Civil Government cannot take them.

5. The question of the handing over of arms and equipment for use of the Arab army was considered. As there is no local market and the cost of removing these from Mesopotamia would be large, it is recommended that such arms, equipment and ammunition as may be required should be handed over free.

6. The Committee recommended that in all these cases the present system, whereby property surplus to military requirements is handed over to the Disposals Board, requires reconsideration.

A more suitable criterion seems to be the requirements of the authorities, whether civil or military, and the transfer should be based on direct negotiation between the Treasury and the Civil Government.

The Disposals Board has practically disappeared in Mesopotamia.

March 19, 1921.

SECOND MEETING OF COMMITTEE ON MESOPOTAMIAN FINANCE.

MARCH 23, 1921.

Present:

Sir G. Barstow.
Sir Percy Cox.
J. B. Crosland, Esq.
Colonel Slater.
General Atkinson.
Colonel Frith.
Major Young.
Mr. Myrddin-Evans.

The Committee had under consideration the question of the adjustment of accounts as between the Military and Civil Administrations, and had before them certain general principles to serve as a basis of discussion.

1. *Accounts of Military and Civil Administrations.*

It was suggested that all expenditure and receipts during the British occupation up to the 31st March, 1921, should be regarded as Imperial and that all accrued surplus balances from the Civil Administration and all military assets should be transferred to the Colonial Office as at the 1st April, 1921. On behalf of the Imperial Government it was pointed out that, apart from the purely military expenditure in Mesopotamia, which had been considerable, and from that of the Civil Administration, whose balance-sheet had shown a surplus up to the last two years, there were certain cross-charges for adjustment as between the Civil and Military Administrations. These cross-charges had proved most troublesome to settle, and, in order to make for simplification and to avoid interminable altercations, it was proposed that all expenditure, whether military or civil, up to the 31st March, 1921, should be regarded as one, and that any surplus, whether in material or cash, should become the property of the Imperial Government. This would give Mesopotamia a clean slate with which to start the financial year 1921–22. It was suggested that the surplus balances accruing to the Civil Administration had arisen owing to the fact that the military had paid for many works and services that

normally would have been provided by the Civil Administration, and the Imperial Exchequer therefore had a claim on these balances on this account as well under the laws of war as being the occupying Power.

On behalf of the Mesopotamian Government it was stated that the surplus had really arisen through our inability to spend as much on the country as we should have done. The surplus on Civil Administration belonged to the occupying Power only after that Power had fulfilled all its obligations towards the occupying territory, and this we had been unable to do. In any case, it seemed highly probable that there would be no final surplus balance on the 31st March, and, if the result of pooling military and civil expenditure up to that date was to show an apparent deficit, it would lay the Civil Administration open to the charge that they had spent more money than they had received, whereas the money had been spent in anticipation of receipts from the military (*e.g.*, 62 lakhs for grain and full port charges instead of the 75 per cent. actually paid), which would, in fact, never materialise. In this case, if the proposal were carried to its logical conclusion, Mesopotamia might be left to start the new financial year with no working balance against an estimated necessary working balance of 100 lakhs. They would prefer that military and civil expenditure should be kept quite distinct, and that any surplus on the Civil Administration should be available for spending in Mesopotamia They would not, however, press this view if the Committee strongly felt otherwise.

In the course of the discussion regarding the disposal of the various assets, it was pointed out that certain buildings and works (*e.g.*, the High Commissioner's house), which had been constructed out of Mesopotamian revenues, would probably be retained by the Imperial Government, and it would be necessary to take this into account. As regards Imperial assets, it was felt that, as Great Britain had accepted the mandate for Mesopotamia and in view of the necessity of starting that State well, facilities should, as far as possible, be granted to the Mesopotamian Government to acquire such works as they desired from the Imperial Government.

The Committee were informed that the Secretary of State desired that the Mesopotamian Budget should show a contribution towards defence. Sir Percy Cox explained that the provisional budget for 1921–22 already provided for the maintenance of Arab forces, which he hoped would increase in future years, and that Mr. Churchill had agreed to accept this solution as meeting his desires.

After further discussion the Committee agreed on the following general principles:—

1. The Imperial Government to be responsible for any net difference between expenditure and receipts (on a cash basis), whether civil or military, in Mesopotamia up to the 31st March, 1921.

   (If there is a civil cash surplus it will be available to reduce the grant in aid required for Mesopotamia; if a civil deficit, the grant in aid would have to be increased. The arrangement will obviate a considerable amount of cross-charges between civil and military, and will result in a reduction of receipts on which the Civil Administration have been counting.)

2. Apart from the net cash surplus or deficit, there are certain capital assets derived from money expended from Vote of Credit or Army Funds, *e.g.*, railways, port, electrical appliances, bridges, telegraphs, &c.; all these to be vested in the Colonial Office as from the 1st April, 1921. But, as a general principle, all properties which have been paid for by civil revenues, as shown in the expenditure accounts of the Civil Administration of Mesopotamia, will be vested in the Mesopotamian Government.

3. The Imperial assets to be disposed of as soon as convenient, as far as possible to the Mesopotamian Government at a fair valuation; failing that, to private persons or companies.

   (The payments by Mesopotamian Government would not necessarily, or even probably, be made in cash; their total would constitute a debt due by Mesopotamia to the Home Government, which should be interest-bearing, but payment of interest might be deferred until the finances of Mesopotamia are in a position to bear them.)

4. The Budget of Mesopotamia should in future meet all civil charges, and, in addition, provide a contribution to Imperial military charges. For the present this contribution will take the form of the provision made for an Arab army to enable Imperial forces to be reduced.

   Railway capital charges could not, however, be met from current revenues in Mesopotamia.

2. *Railways and Ports.*

A short discussion took place on the question of the railway and port charges to be made against the War Office. It was understood that the Secretary of State held the view that no charges should be made against the War Office until the railways and ports were definitely handed over to the Mesopotamian Government.

It was agreed to place on record the following decision :—

"The Committee have carefully considered the suggestion of the Secretary of State for the Colonies that no charges should be made against the War Office for the use of the railways and ports pending the handing over of these services to the Mesopotamian Government. They are of the opinion, however, that (at all events in the case of the railways) it would be more convenient, more economical and would tend to expedite the working of the services as purely commercial concerns if the War Office continued to pay at concession rates for services rendered."

3. *Postal Facilities.*

Attention was drawn to the fact that Government military officials in Mesopotamia were still allowed to post letters free of charge, and it was agreed that it was desirable that this practice should cease as soon as possible.

4. The question was raised of the ownership of buildings and works (such as military barracks, &c.) which might be built for the Imperial Government during the period before the Mesopotamian Government took over full control of the country, but which the Imperial Government might not then desire to retain. It was agreed that no recommendation could be usefully made at the present time.

5. *Disposals Board in Mesopotamia.*

Attention was drawn to the fact that the personnel of the Disposals Board in Mesopotamia was considerably reduced and was unable to cope with the task of assuming charge over the material surplus to army requirements. For much of this material there was no market in Mesopotamia; it was expensive to guard and would be more expensive to move, and it would be more economical to destroy a great part of it.

It was agreed that the War Office and the Ministry of Munitions should be invited to authorise the G.O.C.-in-C., Mesopotamia (if necessary by making him an *ex officio* member of the Disposals Board), to decide what material, surplus to army requirements, should be preserved and what destroyed.

NOTE BY SIR GEORGE BARSTOW.

Mesopotamia: Suggested Financial Arrangements.

1. The Imperial Government to be responsible for any net difference between expenditure and receipts (on a cash basis), whether civil or military, in Mesopotamia up to the 31st March, 1921.

(If there is a civil cash surplus it will be available to reduce the grant-in-aid required for Mesopotamia; if a civil deficit, the grant-in-aid would have to be increased. The arrangement will obviate a considerable amount of cross-charges between civil and military, and will result in a reduction of receipts on which the Civil Administration have been counting.)

2. Apart from the net cash surplus or deficit, there are certain capital assets derived from money expended from vote of credit or army funds, *e.g.*, railways, port, electrical appliances, bridges, telegraphs, &c., all these to be vested in the Colonial Office as from the 1st April, 1921. But as a general principle all properties which have been paid for by civil revenues as shown in the expenditure accounts of the Civil Administration of Mesopotamia, will be vested in the Mesopotamian Government.

3. The Imperial assets to be disposed of as soon as convenient, as far as possible to the Mesopotamian Government, at a fair valuation, failing that, to private persons or companies.

(The payments by Mesopotamian Government would not necessarily, or even probably, be made in cash; their total would constitute a debt due by Mesopotamia to the Home Government, which should be interest-bearing, but payment of interest might be deferred until the finances of Mesopotamia are in a position to bear them.)

4. The budget of Mesopotamia should in future meet all civil charges, and in addition provide a contribution to Imperial military charges. For the present this contribution will take the form of the provision made for an Arab army to enable Imperial forces to be reduced.

Railway capital charges could not, however, be met from current revenues in Mesopotamia.

The view of the Conference was that after the 1st April, 1921, payments should be made by the army for military user of—

(1.) Railways,
(2.) Ports,
(3.) Posts and telegraphs,

and similar services if any rendered by the Administration. These payments to be made at concession rates on the "reduction on quantity" principle, and charges should not be raised to cover interest on capital so long as no interest is being paid.

This course is recommended as conducive to economy. Otherwise the temptation to excessive use of a free service becomes overwhelming. The accounts will also show more accurately the true cost of the garrison on the one hand, and of the departmental service on the other. In any case, it would be necessary to have *pro formâ* accounts even if no money passed; so that the proposal does not involve the maintenance of heavy establishment charges.

Moreover, the railways, &c., services could not be allowed to run at a loss, and if the principle of no payment by the army were adopted, this would necessarily follow, and involve subsidising the railway either from local revenues or the grant-in-aid.

MESOPOTAMIA BUDGET.

Balance.

The arrangements agreed to in principle by the Secretary of State will start Mesopotamia fair at the beginning of 1921–22 without a balance for or against. What her existing balance is seems to be open to question, for the accounts for earlier years which have been sent to India for completion of audit have never been returned. But on their own records, a balance of 294 lakhs* appears to have been accumulated up to the 31st March, 1920, with which the current financial year was started. The whole of this and probably something over will have disappeared by the end of the year. 69 lakhs are accounted for by capital expenditure (50 railway, 10 post, 9 Basra telephone exchange), 65 lakhs by railway deficit, 130 lakhs by general deficit.

The Civil Administration had counted on obtaining certain payments from army votes, the receipt of which would have converted their small deficit into a fairly substantial surplus. But the fact that there has been an insurrection is quite a sufficient reason for the deficit; the railways, which were handed to the Civil Administration at the beginning of the year, have naturally been run at a loss, and there seems no sufficient reason for saddling the British taxpayer through army expenditure with the indirect cost of the insurrection when there are surplus balances from which they can be met.

Revenue, 1921–22.

The estimate for revenue is 565 lakhs. I am assured that this is on a conservative basis and therefore should be realised. Land tax, for instance, is estimated for at a less amount than the estimate for the current year.

The revenue estimate does not take into calculation the receipts under Railways, Port, Ottoman Debt and Sulaimanieh, the first two because they are self-contained services; the Ottoman Debt because it is assumed that the revenues formerly affected to the debt will continue to be applied to the purpose; and Sulaimanieh because this province is in a somewhat anomalous position and will probably require fiscal autonomy.

Of the revenue two-thirds are provided by two taxes, customs (250 lakhs) and land tax (130 lakhs)—the former including some excise duties and licences—and the balance by some half-dozen other taxes and sources of revenue. It is noticeable that except through customs duties (which he can probably pass on) the rich Baghdadi or Basra merchant does not contribute at all to taxation, or at least not in proportion to his ability to pay. Income tax would, if effective, be the best way of achieving this

* A lakh is 100,000 rupees = 10,000*l.* if rupee is at 2*s.*; 6,666*l.* at 1*s.* 4*d.*

result, but possibly death duties or legacy duties, and some form of stamp taxation on exchange operations would raise additional revenue from the business community.

The present is not, however, a favourable time for imposing fresh taxation in Mesopotamia in view of the political situation. Land tax especially will have to be somewhat tenderly administered or it may cost more in military and police measures than it is worth. It is proposed, however, to institute inquiries with a view to levying income tax to be operative in 1922–23, and this and other sources of taxation, old and new, should be more productive in later years.

Customs depends on various incalculable factors—the internal condition of Persia and whether trade routes viâ the Caucasus are open among others.

Revenue in Future Years.

Mr. Slater has given me a provisional estimate as to possible growth of revenue in the next few years. He calculates that it should accrue so as to increase this year's 565 lakhs by—

20 lakhs in 1922–23,
55 lakhs in 1923–24,
100 lakhs in 1924–25,

i.e., revenue should amount to 665 lakhs in that year. Thereafter it should continue to increase, possibly after five years, when oil properties may begin to pay and further land development may be coming into fruition, the increase may be at a more rapid rate.

Expenditure, 1921–22.

The expenditure estimate shows a small surplus (about 6 lakhs) for 1921–22. Although based on the experience of the current and former years, it is hardly so much an estimate of expenditure as a "ration" within which heads of departments will have to confine their activities.

Provided that the civil revenues can bear all civil expenditure, and in addition find an adequate sum as a contribution to the cost of defence, the Treasury is not likely to have any views as to the way in which the local authorities exercise their discretion in allocating civil expenditure. The estimates do not appear to be excessive in any one particular; in fact, they are said to be "cut to the bone"; and barely provide sufficient funds towards education, public works, irrigation and medical services to justify a claim that enough is being done for the social and material improvement of the people. That the sum provided is on a low scale is shown by a comparison of some of the principal items of optional expenditure with the figures of Sir A. T. Wilson's provisional budget for the previous year 1920–21, *e.g.*:—

	Lakhs 1920–21.	Lakhs 1921–22.
Irrigation	69	35
Public works	98	50
Medical	50	30
Education	17½	20

Public Works.

The provision under this head is 50 lakhs, allocated as follows:—

	Lakhs.
Continuation works	14
Establishment	10
New works	10
Electricity and rent charges	5
Maintenance of roads and bridges	8
New and unforeseen works	3
	50

The provision for new works (the only item on which economies might be effected) includes 1 lakh towards the building of a Memorial Hospital to General Maude at Basra, to supplement voluntary contributions; 2 lakhs for schools; 2 lakhs for barracks for local military forces; 1 lakh for land acquisition; 1 lakh for the enlargement of the customs wharf at Baghdad; 1 lakh for police barracks; ¾ lakh for a post office at Basra. These are said to represent the minimum of what is considered

essential, although there are several other projects which are most urgent, such as the building of a new north bridge over the river at Baghdad.

Defence.

The provision for defence—the Arab army—is 55 lakhs in the Estimate. This is just under 10 per cent. of the total revenue and not bad for a beginning, but the Defence Force ought for the present to take at least 15 per cent. of the revenue. Next year, 1922–23, the estimate for defence cannot be less than 80 lakhs, and it is evident that, as the strength of the Arab force increases, this will absorb the probable increase of revenue for some time to come. By the time it reaches a strength of 15,000 the expenditure will be 250 lakhs per annum on defence.

It is evident that the increase of the Defence Force is likely to be the dominating feature of Mesopotamian finance in the course of the next three years. It is from this increase that the British Exchequer will derive the maximum relief by the reduction in the garrison, and the social and educational services of Mesopotamia must stand still until revenue increases, so long as the paramount necessity for national defence has still to be provided. An Arab soldier costs, say, 100*l.* as compared with 300*l.*, the cost per head of British forces.

Purchase of Capital Assets.

This consideration affects also the position as regards the purchase by the Arab Government of the fixed capital assets created by British expenditure from Army Votes and Vote of Credit, viz., the port, the railways, electrical establishments, bridges, &c. It is only fair that the British taxpayer should get back something from the vast expenditure incurred. But the Arab Government would be unable to pay for the whole in cash; even a small part could only be met with great difficulty. It seems reasonable, therefore, to accept a deferred payment, and Mr. Slater and I thought that it might be agreed that deferment should continue until the revenue has reached 750 lakhs, provided that the Defence Force expands to the extent at present contemplated, that is to say, defence should absorb the next 200 lakhs of revenue and repayment of debt only begin thereafter. There is, however, a danger that if the repayment is put off for too long the obligation to make it would be forgotten; and (after conversation with Sir A. T. Wilson) I am now disposed to suggest that payment at a nominal rate should begin after next year, say, 1921–22, nil; 1922–23 and subsequent years, 1 lakh, in order to keep the obligation alive.

It is assumed that, including the railways, the total amount of the debt (on the basis of the present value) would be about 4,000,000*l.* Simple interest at 6 per cent. should also be added. This procedure is, of course, much more generous than the only alternative, viz., to "sweat" off the current estimates of expenditure a sum equal to, say, 30 lakhs, in order to provide for interest payments forthwith. If Mesopotamia is really going to make a great effort to meet her defence charges this seems inadvisable; a reduction which would cripple the Administration would probably alienate supporters.

Capital Expenditure.

Mesopotamia will probably have great difficulty in raising a loan in the market in order to provide for capital development for some time to come, until political conditions are more settled. But there is a good deal of money in Baghdad which might be obtained on loan for suitable development schemes, *e.g.*, for irrigation and possibly some railway extension lines to places of pilgrimage, *e.g.*, Kerbela. Loans from the British Government or on British Government credit by means of a guarantee are not likely to be favourably received in view of the pressure on national finances.

This points to the importance of interesting private capital in Mesopotamia and affords a strong argument for a sale to private capitalists of such assets as railways, if a suitable offer can be obtained. Private management is likely to be more efficient than Government management; private arrangements for obtaining capital are much more elastic. The railway, for instance, is likely to require from 4 to 6 millions sterling capital expenditure in the next few years. It would be an immense relief to Mesopotamian finance to transfer the liability to raise fresh railway capital to private undertakers. Mesopotamian Government credit would then be available for schemes not suited to private enterprise.

Political considerations would require to be of great weight to outweigh the commercial advantage of private railway management.

The estimated capital requirements for the railway are in 1921–22 alone 50 lakhs, and its expenditure will probably not admit of a better price being received a year hence for the railway than could be obtained now. Repeated applications to Parliament for additional railway capital charges are likely to be badly received and to provoke requests for similar grants nearer home.

NOTE BY SECRETARY OF STATE.

I agree in principle with Sir G. Barstow's proposals. But it should not be assumed that the Arab army will, even with its Kurdish contingent, ever reach a total of 15,000. Up to the present no sanction has been given beyond 5,000 for the Arab army, 3,000 existing local Arab levies which will gradually disappear as the Arab army develops, and 3,000 Kurdish levies—ultimate total 8,000. It would not be safe to trust the country entirely to Arab forces, and for many years a British and Indian garrison, with a strong air force, will be required in the key position. The cost of these forces will, it is hoped, be met during the next three years by a grant-in-aid not exceeding an average of 5 or 6 millions a year. Any surplus from Mesopotamian revenues available after the Arab and Kurdish forces have been maintained can, of course, be devoted to reducing the grant-in-aid. Ultimately, one may hope for further reduction in the garrison and further increases in the contribution from Mesopotamian revenues. But it is futile to make any forecast beyond the next three financial years after this one, *i.e.*, 1922, 1923 and 1924.

(Initialled) W. S. C.

April 2, 1921.

NOTES OF A CONVERSATION BETWEEN SIR G. BARSTOW AND COLONEL SLATER ON THURSDAY, MARCH 24, AT 5·30 P.M.

1. *Currency.*

Sir G. Barstow and Colonel Slater agreed that it was not desirable to change the currency at present.

2. *Repayment of the Debts of the Imperial Ottoman Bank.*

This Bank was treated as an enemy bank and closed on our occupation of Baghdad in 1917. It was subsequently reopened, but none of the former transactions were allowed to be completed. The pre-war transactions were on a gold basis, and the transactions after the outbreak of war but preoccupation on a paper currency basis. The question arose as to the basis on which the debts of the bank, amounting to about 100,000 lira should be liquidated. The Bank claimed that they are repayable in currency; but the Bank was expressly exempted from the application of the order of May 1920, which provided for the repayment in Turkish paper currency of debts specifically expressed to be payable in that currency.

The Mesopotamian Government proposed that:—

(1.) Pre-war debts should be repayable in gold
(2.) Debts contracted between the outbreak of war and the occupation of Baghdad should be converted into sterling at the rate of exchange of the day of the transaction.

As regards (2) the Bank claimed conversion should be made at the rate of the date of occupation.

Colonel Slater stated that the Mesopotamian Government would submit the proposals (1) and (2) to the Colonial Office.

3. *Rate of Conversion for Sterling Remittances.*

The question was raised of the rate of conversion to be adopted for sterling remittances (money orders, &c.).

It was agreed to recommend that the rate of conversion should be decided by the Colonial Office who should inform Mesopotamia of the rates at stated intervals—say every fourteen days.

4. *Grants-in-Aid to Mesopotamia.*

Sir G. Barstow informed Colonel Slater that the principle on which grants-in-aid were now made to protectorates was that such grants were in general to be regarded as loans repayable by annuities beginning after a certain period.

5 *Ottoman Public Debt.*

Colonel Slater referred to the annuity payable by Mesopotamia under the Treaty of Sèvres in respect of the Ottoman Public Debt, which constituted an at present unknown liability. He had not included in the Budget for 1921–22, any provision for this, and had also omitted from the revenue side those revenues formerly assigned to the service of the debt. He was proceeding on the assumption that the annuity would not be greater than the assigned revenues; but such figures as he had which were admittedly incomplete, seemed to indicate that the annuity would be much greater.

It appeared desirable that steps should be taken to find out what the annuity was likely to amount to, and Sir G. Barstow promised to enquire of Sir Herbert Samuel who should be asked for this information.

EXTRACT FROM NOTES OF CONVERSATION HELD ON MARCH 24, 1921.

(For remainder of minutes and composition of meeting see Appendix 16.)

Dredging of the Bar at Basra.

3. Mr. Nicholls explained a proposal of the Anglo-Persian Oil Company for the dredging of the bar at Basra. He stated that this was a very necessary undertaking (the maximum draft of boats crossing the bar was only 19 ft. 6 in.), which had not been attempted hitherto on account of the inability of the parties interested to obtain satisfactory guarantees. His proposal was as follows:—

(1.) The Anglo-Persian Oil Company would undertake the dredging operations.
(2.) The Company would be exempt from dredging dues for a period of fifteen years.
(3.) At the end of five years the Port Authority or the Arab Government should have the option of repaying the Company for the capital expenditure which had been incurred, and of completing the undertaking. In that case the Company would pay the ordinary dredging dues.
(4.) The Port Authority should either increase the lighting dues or charge new dredging dues and the increase, after deduction of expenses and commission, should be handed over to the Anglo-Persion Oil Company, in reduction of their total expenditure.
(5.) A new company should be formed to undertake the operation, the Port Authority being represented on the Board.

Mr. Nicholls stated that his fellow Directors in London desired to have further security as regards their Capital expenditure The sort of thing required he thought was a definite undertaking that, at the end of a fixed period, the money would be raised to repay the capital outlay.

The difficulty is that neither the Port Authority nor indeed the Mesopotamian Government is yet set up, and it is therefore impossible to give a binding promise that the necessary money to repay the Anglo-Persian Oil Company will be raised at some future date. The Company appear however to regard the matter as one of great urgency, and to be anxious to get on with the work, and they might probably be prepared to accept an assurance that if the anticipated constitutional arrangements were carried through, and a properly constituted Port Authority set up, an effort will be made to raise the money necessary to repay them their outlay.

The next step appears to be to refer to London, as Mr. Nicholls is quite vague as to the kind of additional security desired by his fellow Directors.

Mesopotamian Budget 1921–22.

4. A discussion took place on the provisional Mesopotamian Budget for 1921–22.

Colonel Slater explained that the figures were very approximate as he had not obtained estimates from the various departments, owing to the fact that the constitution and policy of the departments was not yet decided. The provisional estimate showed a surplus of revenue over expenditure of 5 lakhs, although 55 lakhs were included in the expenditure for the provision of an Arab army.

The question of the charge for the High Commissioner and his staff was also raised, and a suggestion was made that the cost should be apportioned as follows:—

High Commissioner and personal staff: to be shared equally between Mesopotamia and Great Britain.
Secret Service: the same.
Political Secretary's Staff with cypher establishment: to be borne by Great Britain.
The remaining cost to be borne by Mesopotamia.

Appendix 16.—Mesopotamia: Railways.

EXTRACT FROM MINUTES OF FIRST MEETING OF COMMITTEE ON MESOPOTAMIAN FINANCE.

MARCH 15, 1921.

(For remainder of minutes and composition of Committee, see Appendix 15.)

IT was decided that careful accounts of the expenditure on the railways in Mesopotamia should be kept, but that so long as the railway remained under the control of the Middle East Department, troops would be moved in Mesopotamia at the actual cost prices. It was quite possible that the railway would not pay, and in this case it would be necessary that a grant-in-aid should be made to cover the running expenses, and any deficit which appeared on the books would be made good from the Colonial Office.

General Atkinson pointed out that the railway was in urgent need of capital expenditure, and he produced a statement explaining the causes and reasons for his recommendation. If it was decided in the future that the railway should pass under the control of a private company it would be false economy to allow the whole system to deteriorate rapidly, as it was now doing, as it would only fetch a much smaller amount of money on transfer.

The Chairman agreed that it was preferable that certain necessities should be provided which would enable the service on the railway to be maintained, and to prevent further deterioration. The railway could then be used by the troops. He deprecated extensive repairs to the line provided that it was in such a state that it could actually be used, and in no case should new branches of railways be made owing to the uncertainty of the political situation. He thought that the present moment was an unsuitable one to approach a private company for the sale of the railway, as it was quite possible that in a short period, if the recommendations which had been submitted for the solution of the political situation, and which he hoped would be approved, were successful, the railway would be of very much greater value than it was in the present state of uncertainty, and of possible public insecurity.

MEETING ON MESOPOTAMIAN RAILWAYS.

MARCH 21, 1921.

Present:

The Rt. Hon. Winston Spencer Churchill (*Chairman*).
Sir Percy Cox, G.C.I.E., K.C.S.I.
Major-General E. H. de V. Atkinson, C.B., C.M.G., D.S.O.
J. B. Crosland, Esq.
Colonel Slater.
Major H. W. Young, D.S.O.

Consultative Members:
Colonel Sir A. T. Wilson (representing Messrs. Strick, Scott and Co. (Limited), and Pearsons)
Mr. H. E. Nicholls (representing the Anglo-Persian Oil Company).

The Chairman reiterated his previous statement that he considered the moment was not propitious for the sale of the railway. He fully realised that it was essential that a small amount of capital expenditure should be incurred to prevent the railway falling into a state of complete disrepair, and to maintain it in the meanwhile. This sum would of course be taken into account in the sale of the railway, if, and when, such transaction were effected.

Colonel Sir A. T. Wilson remarked that the guarantee (8 to 6 per cent. on preference, 8 per cent. on debentures) which was required from the Government by the group which he represented might be limited to a period of say ten years. He considered that if the railway were handed over to the Arab Government there would be less risk of its destruction by the inhabitants, as the Arab Government would be anxious not to damage an asset of their own. The present railway was not built on a suitable permanent gauge, and the proposals which had been prepared by the group which he represented contemplated converting in ten years' time to standard gauge. If the railway were to be run by His Majesty's Government at their own cost in competition with river traffic this arrangement would suit his interests. He considered that the probable earning capacity of the railway did not justify an offer of over 2 million pounds for the railway as it stood, and the figures included in his proposals were based upon this assumption. As regards the Haifa–Hit line, in reply to the Chairman he stated that a representative of his group (Mr. H. R. Lowis) would accompany the Survey Party from Palestine. He agreed that the railway would be of great assistance to the laying of the pipe-line which on present proposals would be of 10 in. or 12 in. diameter. The pipe-line alone would not make the railway a paying concern; and the railway must be regarded on its merits as a commercial proposition apart from its potential utility from the point of view of the pipe-line.

The Chairman regretted that it was impossible to give a decision, especially as Sir Arthur Wilson had been put to so much inconvenience in coming out to Cairo. He felt that the projects were of such magnitude and would be of such interest to the British public, that no decisions could be given without very close study of the matter by experts in England. In the meanwhile he hoped that every effort would be made to prepare the way for the schemes, which he hoped would develop in the future, and he particularly trusted that the Anglo-Persian Oil Company would not prematurely embark upon any undertaking to utilise a route for the pipe-line through French territory, which might seriously affect British interests generally as well as those of the Company.

NOTES OF A CONVERSATION HELD ON THURSDAY, MARCH 24, 1921.

Present:

Sir G. Barstow.
Colonel Slater.
General Atkinson (for 1).
Major Young (for 4).
Sir A. T. Wilson (for 2 and 3).
Mr. Nicholls (for 2 and 3).
Mr. Myrddin-Evans.

Mesopotamian Railway Expenditure.

1. *General Atkinson* explained the railway system in Mesopotamia and outlined his proposals for capital expenditure for the coming year. He desired authority to spend approximately 350,000*l.* during 1921–22 on capital works such as rolling-stock, locomotives, workshops, &c., as the first part of a sum of about 6 million pounds, which would need to be spent on the railways in the course of the next few years, either by the Government or by any company which might take them over. Current expenditure should as far as possible be met out of the revenues.

As regards the question of the payment by Mesopotamia of the capital value of the railways it was proposed that in order to obviate the difficulties of arriving at an agreed valuation and with a view to treating Mesopotamia as generously as possible, a sum should be fixed after examination of Mesopotamia's financial position, which, while having some relation to the total capital value of all these works, should be determined mainly having regard to Mesopotamia's ability to pay interest and sinking-fund charges thereon; and that this sum should then be taken as the amount owed by Mesopotamia to Great Britain, in respect of all capital works handed over, including railways, ports, electrical and mechanical plant and bridges. Mesopotamia would not be able to pay the debt charges for some years as there was no surplus revenue available, and the revenue from oil would not start coming in for about five years. But on the other hand, there was at present no income tax, which might produce a considerable revenue.

2. *Sir Arnold Wilson* explained the terms of a proposition for the acquisition of the railway system of Mesopotamia, which he had been empowered to make on behalf of Messrs. Strick, Scott and Co. and Messrs. Pearsons.

Briefly, his proposals were as follows:—

(1.) *Capital*—
- 1,000,000*l.* debentures to be issued by Messrs. Strick, Scott and Co. and Messrs. Pearsons jointly.
- 3,000,000*l.* 9 per cent. preference shares guaranteed as to 6 per cent. by the Arab and British Governments.
- 2,000,000*l.* ordinary shares to be issued to the Arab Government in payment for the capital assets taken over.

(2.) The group he represented would be prepared to spend immediately up to 250,000*l.* on improvements.

(3.) No other railways to be constructed in Mesopotamia without the consent of his group, and if it were decided to complete the Haifa–Hit railway the works should be undertaken by them. This would serve to obviate all competition and make for economy and efficient working.

Sir Arnold Wilson explained that 100 miles of the Haifa–Hit railway line were built, and that the total distance would be about 550 miles. The project should be regarded on its merits as a commercial undertaking and not from the point of view of its value as a pipe-line. Regarded solely from the latter point of view, the capital expenditure necessary was prohibitive, and further there was another outlet for oil viâ Baghdad and Alexandretta.

Answering questions by Sir G. Barstow, Sir Arnold Wilson said his groups would not be prepared to give any preference to the shares issued to the Arab Government, as all the new capital would have to have preference. He further stated that they would not be prepared to take a lease of the railway system, for in its present incomplete condition its value was only about one-third of the total value of the railway when constructed, and it would thus be tantamount to making the

Arab Government a present of twice the present value of the railway. He could not, without referring to London, state whether they would be prepared to offer a sum in cash for the whole of the assets, but any such sum would be considerably under 2 million pounds.

Finally, he said that Mr. Churchill had intimated that the present was not a propitious moment for the State to hand over the railway to a private concern, and that in any case the offer was not such as was likely to be accepted.

Sir G. Barstow expressed the view that, although he personally was opposed to the State management of railways, the terms of the offer would be quite unacceptable to the Arab Government, and that it appeared to be assumed that it would be worth the while of that Government to pay Messrs. Strick, Scott and Co. and Messrs. Pearsons in order to have a railway running at all. The matter could not at present be carried further in view of Mr. Churchill's decision.

NOTE BY SIR GEORGE BARSTOW.

Mesopotamia: Note on Railways.

General Atkinson explained the railway system of Mesopotamia, which is thoroughly unsatisfactory.

(*a.*) *There are three different gauges.* (The old Baghdad line, broad gauge; the Basra–Baghdad and Kut–Baghdad, metre gauge; and Baghdad–Fallujah, 2 ft. 6 in. gauge.)

(*b.*) Two sets of branches, which compete with one another, viz., Basra–Baghdad, which competes with Baghdad–Kut, and is not defensible against Arab raids; and the two lines from Baghdad towards Mosul, one viâ Kirkuk and one viâ the Tigris (also very liable to raids).

(*c.*) The Khanaqin line towards Persia requires relaying and a diversion viâ Khanaqin town, in order to meet requirements of the group interested in Persian railway projects.

Sir A. T. Wilson then called to explain his offer, which has already been before you.

The scheme of finance contemplated by his group (Strick, Scott and Co. and Pearsons) is to raise—

- 1,000,000*l.* debentures.
- 3,000,000*l.* 9 per cent. preference, guaranteed as to 6 per cent. by Arab and British Governments.

And pay for the line with 2,000,000*l.* ordinary shares, to be held by the Arab Government.

The offer is clearly unacceptable. The Arab Government would get for their property only the ultimate (and remote) prospect of dividends on the ordinary stock, and would have to assume the liability to pay 180,000*l.* a year on the preference shares. They would not even have voting control by reason of their interest in the ordinary shares; but the whole liability in the case of inefficient management, &c., would fall on them.

I put it to Sir A. T. Wilson, and he agreed that his argument practically amounted to saying that the line is derelict, and that it would indirectly pay the Arab Government to pay for its being kept as a going concern.

Although I think it would be very desirable to get the railway run by a private commercial enterprise, and not as a State railway, I am sure better terms must be offered, and asked Sir A. T. Wilson what would be his best offer to purchase for cash, and also whether his group would be prepared to lease the railway. We may hear further as to this.

As the offer of the group had been rejected by the Secretary of State already, there was no business to be done in any case, and the visit was for the purpose merely of explanation.

The capital expenditure required on the railway line in 1921–22 is estimated by General Atkinson at 325,000*l.*, the first part of a scheme of reconstruction and reconditioning the line, which may require 6 million pounds. Sir A. T. Wilson indicated that even the expenditure of 325,000*l.* would not improve the group's

offer for the railway a year hence, as the rest of the line would have been depreciating by an equal amount.

The 325,000*l.* covers certain orders for locomotives and waggons, and a removal of workshops from Shaiba to Baghdad. Probably only a small part of the payment for locomotives will be required in 1921–22, even if orders were given at once.

To relieve the administration of the liability for finding fresh capital for the railway, it would be desirable to strike a bargain with private enterprise as early as possible. But this can hardly be before the political settlement, and in any case the present offer is not good enough.

NOTE BY THE SECRETARY OF STATE.

I think it would be unwise to sell our railways at the present moment, especially if we have to offer a guarantee, as demanded by Sir A. T. Wilson. This simply means that if things turn out well, he takes the profit, and if there is another rebellion we pay the loss. Should we get through the summer quietly, and our Arab policy prove a success, much more advantageous offers could be looked for than are now justified. Meanwhile, it is essential to keep the railways in working order.

Incidentally, I may observe that the sale of the Mesopotamian railways to Sir A. T. Wilson's company a few months after this gentleman had ceased to be Governor of the country would raise Parliamentary issues of an embarrassing kind.

(Initialled) W. S. C.

April 2, 1921.

SECTION III.—PALESTINE.

Appendix 17.—Palestine: Political and Military.

FIRST MEETING OF THE PALESTINE POLITICAL AND MILITARY COMMITTEE.

MARCH 17, 1921.

Present:

The Rt. Hon. Winston Spencer Churchill, M.P. (*Chairman*).
The Rt. Hon. Sir Herbert Samuel, G.B.E.
Lieutenant-General Sir Walter Congreve, V.C., K.C.B.
Air-Marshal Sir H. M. Trenchard, Bart., K.C.B., D.S.O.
General Sir P. P. de B. Radcliffe, K.C.M.G., C.B., D.S.O.
Air-Vice-Marshal Sir G. Salmond, K.C.M.G., &c.
J. B. Crosland, Esq.
W. H. Deedes, Esq., C.M.G., D.S.O.
Colonel C. R. Newman.
Colonel B. H. S. Waters Taylor, C.B.E.
Colonel T. E. Lawrence.
Major H. W. Young, D.S.O.
Miss Bell, C.B.E.
Major the Hon. F. R. Somerset.
Captain F. G. Peake.
R. D. Badcock, M.C. (*Secretary*).

The Chairman stated that the Committee had to discuss the policy of His Majesty's Government in Palestine under two aspects:—

1. The general and external aspect as affected by the policy in Mesopotamia and Arabia, both now and in the future.
2. The local development of Palestine, with particular reference to the Zionist question.

He asked Major Young to read out the departmental point of view which had been arrived at after considerable discussion in London (Appendix 2). After Major Young had read the report, *Sir Herbert Samuel* observed that he would be glad of an opportunity to read the paper. He agreed that it was necessary that Trans-Jordania should be regarded as territory administered on different lines from Palestine, partly owing to the question of Zionism. Nevertheless, this area was included under the British mandate, and should not, in his opinion, be regarded as an independent Arab State. The main question of the moment was to deal with the Sherif Abdullah, who was now at Amman, and who still regarded the Sherif Feisal as the King of Syria, including Trans-Jordania, with his capital at Damascus. It was necessary for us to combine our Sherifian with our mandatory policy. He trusted that it would be possible to effect this combination, but at present the two policies overlapped. Above all it was necessary that it should not be an unworkable combination. He submitted that there were four points to be borne in mind:—

1. Assuming that the Sherif Abdullah were supported by His Majesty's Government, we might not be sufficiently strong to ensure that no anti-French campaign should emanate from Trans-Jordania, which was at present the base of this agitation. Letters had been sent by the Sherif Abdullah to all the Sheikhs to combine against the French. There was evidence of close contact with Mustafa Kemal and other influences in Damascus hostile to the French, and if this state of affairs were to continue it could not fail to jeopardise the relations between Palestine and Syria, and thereby effect the relations between Great Britain and France.
2. There was some probability of controversy in Palestine for some years on the question of Zionism, and it was possible that the Sherif might encourage agitation and thus prove a danger.

3. Bad government in Trans-Jordania would directly affect Palestine, as it would provide no security against raids across the Jordan.
4. A dual Government in Trans-Jordania, deriving its authority both from the High Commissioner in Palestine and from a Sherif, might not work, owing to the dual control.

The Chairman hoped that the decision which had been arrived at in previous meetings of the Conference with regard to Mesopotamia might prove the solution for Trans-Jordania. It had seemed best to support the Sherifian cause; in fact no other alternative presented itself. He felt that it would be a danger to attempt to harness the strong Arab movement by placing a local candidate at the head of the Administration in Trans-Jordania, thereby keeping the Sherifian movement under a cloud. The French view was that by supporting the Sherif we were building up, like Frankenstein, a monster which would eventually devour us. This was a question of principle, and after very close consideration and discussion with Sir Percy Cox and his staff it had been unanimously agreed that no other course presented itself. It seemed inevitable in these circumstances that we should adopt a policy elsewhere which would harmonise with our Mesopotamian policy. To support the Sherif in Iraq and not in Trans-Jordania would be courting trouble, especially if, by subsidising King Hussein, and ensuring, by a grant to Ibn Saud, that he refrained from attacking the Hedjaz, we could obtain general peace and prosperity in Arabia. If we were to curb the activities of Abdullah, while allowing him to remain in Trans-Jordania, we must obtain the goodwill of the Sherifian family and place them as a whole under an obligation to His Majesty's Government in one sphere or another. If it was possible to guarantee that there would be no anti-Zionist disturbances our point would be gained, but to do so the Arab leader in Trans-Jordania must be given support either in money or troops. Abdullah's moral influence was of great importance. The objections to garrisoning Trans-Jordania were, on the one hand, that the force might either be more than we could afford financially, or alternatively, so small as to be unsafe. We must make more bricks with less straw. He hoped that General Congreve would be able to reduce the number of troops in Palestine as well as to keep some across the Jordan. The question to be decided was the minimum strength of the force required, on the assumption that we were able to make satisfactory arrangements with Abdullah, with whom it would probably be necessary to discuss the question. He did not share the fear of Sir Herbert Samuel in regard to dual control.

Sir Herbert Samuel entirely agreed with the Chairman that it was in the best interests of British policy that we should support the Sherif, and moreover he considered that we were definitely pledged to this during the war, and that there could be no question of our failing to honour our word. He considered that the French had made a great mistake in their policy in Syria by departing from these principles. He concurred in the necessity of differentiating between the Administrations in Palestine and Trans-Jordania, and he had never suggested any other policy. He believed that that was also desired by the inhabitants of Trans-Jordania. He considered that if His Majesty's Government were to undertake to guarantee the French against hostile agitation from Trans-Jordania, it was indispensable for us to have troops there. He was uncertain as to the desirability of appointing Abdullah as ruler for the various reasons which he had mentioned previously, and he felt that it was essential that a definite decision should be arrived at as to the relations between the two authorities in Trans-Jordania before discussing the matter with the Sherif.

In reply to the Chairman, *Colonel Lawrence* stated that it was quite conceivable (in fact he had heard it from French officials) that French policy might change, and that provided they could arrange matters with Abdullah, he might be instated as ruler in Damascus. This being so, it would be difficult for us, if we had by our support given Abdullah considerable power in Trans-Jordania, to keep that area free of French influence, and he would regret the existence of a Franco-Arab State on the eastern boundary of Palestine. He trusted that in four or five years, under the influence of a just policy, the opposition to Zionism would have decreased, if it had not entirely disappeared, and it was his view that it would be preferable to use Trans-Jordania as a safety valve, by appointing a ruler on whom he could bring pressure to bear, to check anti-Zionism. The ideal would be a person who was not too powerful, and who was not an inhabitant of Trans-Jordania, but who relied upon His Majesty's Government for the retention of his office. He thought that the

question of raids which had been mentioned by Sir Herbert Samuel could best be solved by the creation of a good system of government east of the Jordan. He submitted that we should not allow our view to be focussed solely on our Western policy in Trans-Jordania, but also that we should look eastward, towards Mesopotamia, and towards the intervening desert and its nomad inhabitants. Sherif Abdullah, by reason of his position and lineage, possessed very considerable power for good or harm over the tribesmen. This would not be the case with a local townsman who was the only other alternative. He thought that the appointment should be that of a governor, and that it should be made by the High Commissioner for Palestine, who would, of course, consult His Majesty's Government. There should be no connection with the Hedjaz, the influence of which he trusted would be confined to the two Holy Cities. The sons of King Hussein were rarely in agreement with him, though the family held together as long as they were apart.

Major Young agreed with Colonel Lawrence that the situation would be difficult if the French offered the throne of Syria to a man who had meanwhile become a quasi-British subject. He was in favour of an alternative to Abdullah, if it were possible to find one.

Colonel Lawrence thought that if Sherif Abdullah proved that he could behave well in Trans-Jordania both to the French and to the British his subsequent appointment to Damascus would appear less objectionable to the French.

In reply to a question from the Chairman, *Major Somerset* stated that he thought a more pressing question was (in the event of the Sherif Abdullah not being chosen) the means by which we were to get rid of him, assuming that he decided to reside at Amman, in which case it would be impossible to prevent him conducting an anti-French campaign if he chose to do so.

General Congreve reminded the Chairman that a statement by M. de Caix had recently been published in which he mentioned that the French might possibly retire to the Lebanon. This would alter the situation considerably.

Neither Sir Herbert Samuel nor Colonel Lawrence thought that the French would really do this.

In reply to an observation by Mr. Deedes, *the Chairman* stated that he hoped that support of Abdullah would be based on mutual interests, though he fully realised that miscreants from Palestine would always be able to find refuge in Trans-Jordania.

Mr. Deedes was opposed to the appointment of Sherif Abdullah, but if the issue was prejudiced by his presence in Amman, the only course was to accept his appointment as a *fait accompli*.

In reply to the Chairman, *Major Somerset* said that it would in his opinion be impossible to get rid of Abdullah in the event of his not being appointed, or of his refusing to agree to the conditions of the appointment.

The Chairman agreed with Sir Herbert Samuel that provided Sherif Abdullah could be made amenable to British policy by a general understanding with his family, which included the appointment of one of its members to the throne of Iraq, a subsidy to King Hussein, and a guarantee to restrain Ibn Saud, it might be possible, with the help of a small force, to enable him to set up a stable Government on the understanding that he used his influence to prevent anti-French and anti-Zionist propaganda in Trans-Jordania.

Major Somerset thought that, assuming that we possessed the good-will of Abdullah and of the local population, it would be sufficient from the political point of view, if one squadron of cavalry were garrisoned at Amman, though he was aware that General Congreve considered, from the military point of view, that this was not sufficient.

General Congreve pointed out that during the war Colonel Lawrence had found it possible to raise a force of 22,000 men against the Turks in Trans-Jordania. Seeing that a similar force might conceivably be turned against us now, and in order to guarantee immunity to the French, to quell raids, and to maintain our prestige, he estimated the minimum garrison for Trans-Jordania at one battalion of infantry, two squadrons of cavalry, and two guns. The railway from Semakh to Deraa not being under our control, the only line of communications lay along thirty miles of

road through difficult country, which was admirably suited to guerilla warfare. He agreed with Sir Herbert Samuel that it might be possible for the troops to live on the country to a large extent, but it would, nevertheless, be necessary for him to have a means of supply. He pointed out the difficulty in Palestine, where it was necessary for him to keep garrisons at such widely separated posts as Roshpina, Semakh, Beisan and Jerusalem, for which, under his new establishment, he would only have 5,000 fighting troops available. It was proposed to substitute British for Indian troops in Palestine, and the rate of sickness among the former in the unhealthy country of the Jordan valley was considerable. He was aware that the difficulty of unhealthy stations would be overcome if it were decided to send troops across the Jordan, but he estimated that he would require two more battalions or their equivalent. So long as he was responsible for Palestine he must have additional troops, in the event of it being decided to despatch a garrison to Trans-Jordania. It might, however, be possible to effect some reduction in the total, especially in view of the proposed formation of a defence force.

The British reserve in Egypt was a factor in the situation, and he knew that the Chairman appreciated the General Staff view that British battalions must so far as possible be maintained.

In reply to a question by the Chairman, *Mr. Crosland* stated that the cost of a British battalion in Palestine was only half as much again as that of an Indian battalion, whereas in Mesopotamia it was double.

General Radcliffe thought that in view of the reduction of British forces in the Black Sea, Mesopotamia and Constantinople it might be possible to alter the previous decision not to occupy Trans-Jordania. From the point of view of the Imperial General Staff, troops were well placed in Palestine as they would be available there to form a strategic reserve for the east.

In reply to a question by the Chairman, *Air-Marshal Trenchard* stated that assuming that there was no general hostility to our policy in Trans-Jordania it might be possible to place aerodromes at Amman, Kerak and Irbid, with small supplies of petrol at each. The squadron in Palestine, which could be reinforced by one from Egypt if necessary, could fly to these aerodromes at stated intervals or when required, and this force might perhaps be sufficient to supplement a smaller garrison, besides having a good moral effect in restraining any turbulent elements. Aeroplanes were not doing very much in Palestine at present, but he knew that General Congreve would support him when he stated that they had proved a very valuable factor in the fighting at Semakh in the past.

Colonel Lawrence was of opinion that the whole situation largely depended upon the military position. There were three possible alternatives—

(*a*.) The appointment of Sherif Abdullah. For this it was necessary to obtain his good-will.
(*b*.) The appointment of a local governor with the good-will of Sherif Abdullah, who would himself withdraw from the territory.
(*c*.) The despatch of a military expedition to eject Sherif Abdullah.

In regard to (*a*), he thought that the appointment of a loyal and amenable Sherif, but an inactive one, was unobjectionable. He felt that neither we nor Sherif Abdullah were strong enough at present to hold Trans-Jordania without assistance from the other.

Sir Herbert Samuel agreed, though he felt some uneasiness that if the Sherif were appointed it might prove difficult to restrain him. He considered that alternative (*c*) was out of the question.

The Chairman requested General Congreve to preside over a military committee for Palestine (Appendix 18), which should consider and submit a report on alternatives (*a*) and (*b*) mentioned by Colonel Lawrence. They should also recommend the minimum garrison which would then be needed for Palestine and Trans-Jordania together, bearing in mind the support which could be given by the Air Force, and the possible relief due to the creation of a defence force. He reminded the Committee of the possibility of the use of reserves drawn from Egypt, in the event of emergency, and thought it might be possible to effect certain economies in the expenditure on labour and administrative services in the garrison of Palestine. Certain relics of the past still remained as a financial burden. If these economies were effected, it might be possible to obtain sanction for an increase in establishment sufficient to justify the

despatch and maintenance of a small garrison for Trans-Jordania. He would ask Sir Herbert Samuel to be present when questions of policy and of the defence force were discussed.

At the request of Sir Herbert Samuel he directed that this Committee should subsequently enquire into and report upon the most efficient and economical method of raising and maintaining the proposed defence force in Palestine (Appendix 20).

SECOND MEETING OF THE PALESTINE POLITICAL AND MILITARY COMMITTEE.

MARCH 18, 1921.

Present:

The Rt. Hon. Winston Spencer Churchill, M.P. (*Chairman*).
The Rt. Hon. Sir Herbert Samuel, G.B.E.
Lieutenant-General Sir Walter Congreve, V.C., K.C.B.
General Sir P. P. de B. Radcliffe, K.C.M.G., C.B., D.S.O.
Air-Vice-Marshal Sir G. Salmond, K.C.M.G., &c.
J. B. Crosland, Esq.
W. H. Deedes, Esq., C.M.G., D.S.O.
Colonel C. R. Newman.
Colonel B. H. S. Waters Taylor, C.B.E.
Colonel T. E. Lawrence.
Major H. W. Young, D.S.O.
Miss Bell, C.B.E.
Major the Hon. F. R. Somerset.
Captain F. G. Peake.
R. D. Badcock, M.C. (*Secretary*).

The Chairman read the report of the Palestine Military Committee, formed under the presidency of Lieutenant-General Sir Walter Congreve (Appendix 18).

In reply to a question by the Chairman, *General Radcliffe* said that he fully realised the argument in favour of despatching troops to Trans-Jordania, where it was indeed difficult to maintain order, or to execute our policy in their absence. In the past the General Staff had been unable to agree to this occupation, owing to the fact that no troops were available. Owing to various reductions throughout the world, notably in Mesopotamia, Constantinople and the Black Sea, he considered that this difficulty might now be overcome, and it remained purely a financial question. He was quite prepared to support the suggestion.

Sir Herbert Samuel called attention to a statement in the report as to the withdrawal of troops at some future date. Although he agreed with the suggestion of the Chairman at the previous meeting that the position should be reviewed at the end of a period of six months, he emphasised that it would not be a case of withdrawal from Trans-Jordania, but merely of a reduction of the total British garrison in Palestine and Trans-Jordania, owing to the creation of the local defence force which was being formed in the new financial year, and which was being paid for from the revenue of Palestine. He was convinced that it would be a fatal error for our troops not to remain across the Jordan when they had once been despatched there. The inhabitants had already had three experiences of this nature: firstly, the Amman operations in the early spring of 1918; secondly, the Es Salt raid in the late spring of 1918; and thirdly, when he himself had gone over to Trans-Jordania in August 1920. It was true that he had never indicated that troops would be sent to Trans-Jordania, but the people had anticipated the effective exercise of British influence. On the first two occasions the inhabitants had given play to their pro-British sentiments on the entry of our forces, and on the return of the Turks after a lapse of a few days they were very hardly treated. As a result of these instances our prestige had fallen considerably, and he could not too strongly urge the certainty that public opinion would be very adversely affected if we now repeated this policy. Moreover, he felt sure that if Sherif Abdullah remained in Trans-Jordania it would be essential for us to maintain troops to support our position; otherwise we could not be sure that there would not be an anti-French and an anti-Palestine movement

there. He considered that the formation of a local force in Trans-Jordania would be of great assistance in the maintenance of public order, though perhaps financial limitations would prevent the adoption, for the present, of so large a scheme as that proposed by Captain Peake. The matter would receive his consideration, and he felt sure that a local force would be very valuable in support of the administration, in such matters as the collection of taxes, provided it had a stiffening of British troops.

The Chairman stated that he hoped he would be able to show a reduction on the Palestine garrison corresponding to the increase involved in garrisoning Trans-Jordania. He looked for assistance in this connection to reductions under the head of charges for labour. In reply to General Congreve, he said that he would do his utmost to obtain shipping for the troops which were awaiting embarkation. He felt that it was most important that he should obtain sanction for the despatch of the troops before his meeting with Sherif Abdullah in Jerusalem on the 28th. He proposed to draft a telegram urging this on the assumption that either Sherif Abdullah or a local candidate supported by him would be appointed Governor. He proposed to say that in order to carry out British policy, to prevent anti-French and pro-Sherifian propaganda, and to reopen the Hedjaz railway, thus re-establishing the pilgrimage to Mecca and providing King Hussein with an income from other than British sources, it was agreed that it was essential to maintain troops east of the river. In these circumstances he was unable to effect a further saving beyond the heavy reduction from 25,000 to 7,000 which had already been made by the General Officer Commanding. It would therefore be nebesssary temporarily to increase the garrison by two battalions or their equivalent, but in view of the fact that a local defence force was being created by the Administration of Palestine, it had been agreed that the position should be reviewed at the end of six months, when he was hopeful of further reductions. Against this temporary increase he trusted that it would be possible by a careful scrutiny of arrears and terminal charges to meet the additional expense involved. On Mr. Crosland's estimate the cost of the Palestine garrison, including Trans-Jordania, should not exceed 2 million pounds in 1922–23, and he felt sure that the report which he had recently seen in Reuter that the Palestine garrison cost 7 millions per annum was incorrect. He pointed out that it was infinitely more likely that a reduction would be effected at an early date if good order were maintained during the present difficult period while the local defence force was being formed. Once it had been trained it would be fit to replace the permanent garrison to some extent, and therefore a small additional expenditure for the first six months might prove in the long run to be an economy. In view of the fact that Sir Herbert Samuel demurred to giving an undertaking to reduce the cost of the garrison in 1922–23 to 1,500,000*l.* he would not press the point, but he trusted that this reduction would be found possible.

Sir Herbert Samuel observed that the Military Committee had stated that it might be possible to replace one Indian battalion at the end of six months by the defence force. Although he did not wish to rate too highly the value of local forces, he thought the 1,200 local men whom it was proposed to recruit during the financial year of 1921–22 ought to be able to replace more than one Indian battalion, which, at General Congreve's estimate, would be approximately 500 strong.

General Congreve was inclined to agree, though he pointed out that it would be difficult to utilise the Arab battalion, owing to the fact that politically it would be impossible to station it in the strategic posts in Northern Palestine, where troops were most required.

Sir Herbert Samuel replied that although he fully agreed that there were certain places where it would be inadvisable to station Arab troops, notably at Nablus, where he thought that a company of British troops should always be maintained; nevertheless in general he was quite prepared for them to be stationed wherever General Congreve required them.

General Congreve agreed that in the circumstances it might be possible to reduce the British garrison by the equivalent of two battalions in October next. He deprecated capital expenditure being incurred on the construction of expensive barracks and cantonments until it was definitely decided what the permanent garrison of the future was to be. It would no doubt be necessary to provide huts at Amman, and the cost of these would have to be estimated. The more widely troops were distributed, the more expensive was their maintenance.

In reply to a question by the Chairman, *Mr. Crosland* stated that a regiment of cavalry was slightly cheaper than one battalion of infantry, and *Major Somerset* expressed the opinion that cavalry would be more valuable in Trans-Jordania than infantry, particularly as it would be difficult to move infantry about the country in hot weather.

The Chairman thought that the estimated annual cost per man of the troops was somewhat high, and that it should not be more than 400*l.*

Sir Herbert Samuel reminded the Chairman that the garrison in Palestine was not merely intended to maintain order in that country, but should be regarded as an Imperial reserve and as a protection for the Suez Canal.

The Chairman agreed that our forces in Egypt and Palestine should support each other reciprocally. He hoped that Mr. Crosland would shortly receive a reply to his telegram to the War Office, enquiring what proportion of the 30 million pounds of the vote for the Middle East was allotted to Palestine. He hoped to show in the future that this expenditure would be reduced from 30 millions to approximately 8 millions in 1922–23, of which 5 or 6 millions would be the cost of the force in Mesopotamia and the remainder of that in Palestine.

Appendix 18.—Palestine: Military.

FIRST MEETING OF THE PALESTINE MILITARY COMMITTEE.

MARCH 17, 1921.

President:
Lieutenant-General Sir W. Congreve.

Members:
Major-General Sir P. P. de B. Radcliffe.
Air-Vice-Marshal Sir G. Salmond.
Mr. W. H. Deedes.
Colonel-Commandant Newman.
Colonel T. E. Lawrence.
Major the Hon. F. R. Somerset.
Captain Peake.

Secretary:
Lieutenant-Colonel B. H. Waters Taylor.

The Committee proceeded on the assuption that either Abdullah or his nominee both friendly to the Imperial Government, is appointed Governor of Trans-Jordania with the general consent of the inhabitants, and on this assumption considered what should be the adequate garrison.

1. It was agreed that the minimum garrison necessary for Trans-Jordania would be—

1 battalion infantry,
2 squadrons cavalry,
1 section artillery,

and that this force should be stationed at Amman. The rôle of the force would not be passive but active; the cavalry patrolling the country and supporting the gendarmerie on occasions where situations arose outside their capacity, the infantry supporting the cavalry and holding the cantonments. The Committee considered the garrison strong enough to quell any element of the population that might be unfriendly to the Government.

2. A statement and table is attached, showing:—

Column A. Proposed distribution of the 7,000 ration strength.
Column B. Reduction necessary if the Trans-Jordania garrison is to be found with the addition of only one extra battalion or regiment. (Annexure I.)

3. The Air-Vice-Marshal considered the provision of aerodromes at Amman, Irbid and Kerak necessary, and handed in his scheme for the co-operation of R.A.F. with the local forces. (Annexure II.)

4. The Committee pointed out the urgent necessity for the repair of the road from Ghoraniyeh Bridge to Amman to make it passable for motor transport, the railway being at present too uncertain to rely upon as it is not in our hands. The estimated cost of repairs for this road was 8,000*l*.

5. Although it was hoped that the Imperial Garrison could be reduced or even completely withdrawn in the near future, it was recognised that this must depend on the progress achieved by the local Government and that no fixed date could be arrived at.

Captain Peake handed in his scheme for the composition strength and cost of the local forces that he considered necessary on the withdrawal of the Imperial Forces. (Annexure III.)

Annexure I.

1. The disposition of troops in Palestine on the 7.000 ration strength basis is shown in Column A.

2. The disposition of troops proposed for Palestine, if present garrison is increased by one battalion only and the Trans-Jordania garrison found from this garrison, is shown in Column B.

It will be seen that the garrison in North Palestine is unduly reduced, especially reserves at Jenin and Nazareth, and detachments would have to be withdrawn from certain places—Nablus, Mizpah, for instance—considered of importance by the Civil Government.

These considerations do not include the provision of escorts on the Ghoraniyeh-Amman road, for which armoured cars in the case of motor convoys, and infantry and cavalry in the case of mixed convoys, would have to be drawn from the Palestine garrison in the case of the railway being out of action.

It is considered that, to ensure reasonable safety in Palestine and to provide the Trans-Jordanian garrison, an addition to the present garrison of either—

1 battalion infantry, 1 regiment cavalry (preferable Indian), *or* 2 battalions infantry (1 battalion Indian), is necessary.

Statement of Distribution of Troops, Palestine.

—	Column A. Dispositions when Garrison of Palestine is reduced to Ration Strength of 7,000.	Column B. Dispositions with a Garrison for Trans-Jordania deducted and only one Battalion added to present Garrison.
Rosh Pina	1 squadron Indian cavalry (less 1 troop). 1½ companies Indian infantry. 1 section pack battery. 1 light-car patrol.	1 squadron Indian cavalry (less 1 troop). 1½ companies Indian infantry. 1 section pack battery. 1 light-car patrol.
Semakh	1 regiment Indian cavalry (less 2 squadrons). 1 platoon Indian infantry. 1 section pack artillery. 1 light-car patrol.	1 regiment Indian cavalry (less 2 squadrons). 1 platoon Indian infantry. 1 section pack artillery. 2 light-car patrols.
Mesha or Mizpeh ..	1 troop cavalry. 1 light-car patrol.	
Beisan	1 squadron Indian cavalry. 1 platoon Indian infantry.	1 troop Indian cavalry. 1 company Indian infantry.
Nazareth	1 battalion Indian infantry (less 2 companies). Headquarters and 1 battery pack artillery brigade.	Headquarters and 1 company Indian infantry. Headquarters and 1 battery pack artillery brigade.

—	Column A. Dispositions when Garrison of Palestine is reduced to Ration Strength of 7,000.	Column B. Dispositions with a Garrison for Trans-Jordania deducted and only one Battalion added to present Garrison.
Jenin .. .	Headquarters cavalry brigade. 1 British cavalry regiment. Field troop. 1 section No. 4 light armoured-car company.	Headquarters cavalry brigade. Headquarters and 1 squadron British cavalry. 1 squadron Indian cavalry. Field troop. 1 section No. 4 light armoured-car company.
Jerusalem	Headquarters infantry brigade. 1 British battalion. 1 pack battery. Headquarters, 1 section and 1 light car. Patrol No. 4 light armoured-car company.	Headquarters infantry brigade. 1 battalion Indian infantry. 1 pack battery (less 1 section). Headquarters, 1 section and 1 light car. Patrol No. 4 light armoured-car company.
Bersheba	1 squadron British cavalry. 1 light-car patrol. 50 gendarmerie on camels.	1 squadron British cavalry. 1 light-car patrol. 50 gendarmerie on camels.
Haifa	1 company British infantry.	1 company British infantry.
Ludd	Headquarters troops in Palestine. 1 British battalion (less 1 company). 1 regiment British cavalry (less 1 squadron). 1 battery. 1 company sappers and miners.	Headquarters troops in Palestine. 1 British battalion (less 1 company). 1 regiment British cavalry (less 1 squadron). 1 battery. 1 company sappers and miners.

Annexure II.

Royal Air Force Scheme for Trans-Jordania.

1. Assuming that the British garrison was withdrawn from Amman, it is considered that the following scheme would give sufficient support to the Trans-Jordania forces to enable the Trans-Jordanian Government to function:—

(*a.*) The R.A.F. squadron now in Palestine reinforced when necessary by a squadron from Egypt would be utilised.

(*b.*) Landing grounds, wireless stations and petrol and oil stores should be established at Irbid, Amman and Kerak.

(*c.*) The squadron stationed in Palestine would fly over Trans-Jordania once a month.

(*d.*) Kerak, Amman and Irbid would be visited as necessary.

(*e.*) Schemes would be prepared for the guidance of Political Officers for the employment of Air Force action in various situations as they arise.

(*f.*) All expenditure incurred in the following:—

(1.) Construction of landing grounds.
(2.) Wireless equipment.
(3.) Petrol and oil stores.
(4.) Air Force operations. To be charged to the Trans-Jordanian Government.

(*g.*) Facilities for training Arab wireless personnel would be provided by the Royal Air Force.

(Signed) G. SALMOND,
Air Vice-Marshal Commanding Middle East Area, Royal Air Force.

Cairo, March 17, 1921.

ANNEXURE III.

Captain Peake's Scheme.

	£ E. per month.	£ E. per annum.
A reserve force to consist of—		
Headquarters—		
1 British officer	75	900
1 Arab staff officer	18	216
1 sergeant-major	12	144
1 clerk, 1st class	9	108
1 clerk, 2nd class	6	72
Total		1,440
Squadron—		
1 captain	25	300
1 1st lieutenant	18	216
2 2nd lieutenants	15	360
1 colour-sergeant	11	132
4 sergeants	10	480
8 corporals	9	864
112 privates..	8	10,752
Total		13,104
There are to be two such squadrons.		
Machine-gun company (6 guns)—		
1 1st lieutenant	18	216
1 2nd lieutenant	15	180
1 colour sergeant	11	132
2 sergeants (mounted)	10	240
4 corporals (mounted)	9	432
24 privates (mounted)	8	1,584
1 sergeant (foot)	7	84
2 corporals (foot)	6	144
12 privates (foot)	5	720
Total		3,732
Mountain-gun section (2 guns)—		
1 lieutenant	18	216
2 sergeants	10	240
4 corporals	9	432
24 privates..	8	1,584
Total		2,472
36 mules for machine-gun company and 24 mules for gun section.		
Fodder for mules		2,500
Tentage and huts		1,000
Medicine, veterinary, stationery, repair of equipment		500
Annual cost		37,852
In addition, as an initial cost, 42 mules at £ E. 35 each are required ..		1.460
Assuming that some men have to be provided with horses on the repayment system .. .. would be required; to be repaid in 16 months.		3,750
Equipment and saddlery would cost about		5,000
Making a total of		10,210

Men will feed themselves and their horses and pay for their clothes.

Each man will receive £ E. 6 to assist him with his first suit of clothes.

The force to be a reserve to the gendarmerie, stationed at Amman, and for use in all Trans-Jordania.

The British Officer in Command will be responsible to the Inspector of Gendarmerie for training and discipline.

Total cost first year £ E. 49,562.

Appendix 19.—Trans-Jordania.

FIRST CONVERSATION ON TRANS-JORDANIA, HELD AT GOVERNMENT HOUSE, JERUSALEM, MARCH 28, 1921.

Present:

The Right Hon. W. S. Churchill, M.P., Secretary of State for the Colonies.
Sir Herbert Samuel.
Mr. Deedes.
Colonel Lawrence.
Major Young.
H.H. Emir Abdullah.
Auni Abdul Hadi.

Mr. Churchill said that he had just taken over the new Middle East Department of the Colonial Office and was endeavouring to substitute a policy viewed and initiated as a whole for what he feared might have conveyed the impression of a want of co-ordination in British policy in the Arab areas of the Middle East since the armistice.

He wished to revert to the original policy of supporting Arab nationality on constructive lines, using the Sherifian family as a medium. There were, however, parts of the Arab world in which His Majesty's Government were not able to carry out this policy, owing to the decisions of the Allies and to promises made to third parties.

These parts were Syria and Palestine west of the Jordan.

He would like to see the Sherifian family in a predominant position in the whole of the Arab countries, so far as this was compatible with the above exceptions, but it was impossible for His Majesty's Government to impose a Sherifian régime on the various Arab populations by force.

For example, it was obvious that Ibn Saoud in his present mood would not accept any form of Sherifian suzerainty, nor, as far as was known, would the Imam or the Idrisi. The best help that His Majesty's Government could give to King Hussein as regards Ibn Saoud and the Idrisi was to make it clear to them that they did not, and would not, countenance any aggression on their part against the Hedjaz. He proposed to ensure this by paying these rulers a monthly subsidy conditional upon their maintaining neutrality. At the same time he intended to advise the Cabinet to agree to the payment of a substantial allowance to King Hussein to enable him to maintain internal order and to develop the amenities of his country for pilgrimage traffic.

With regard to Mesopotamia, His Majesty's Government had promised the people to consider their wishes in the selection of their future form of government and the choice of a ruler. This did not bind His Majesty's Government to accept whatever choice they made. While large armies and large sums of money were being provided by Great Britain it was clear that His Majesty's Government could not afford to remain entirely indifferent. At the same time they were prevented by their pledges from imposing a nominee of their own as ruler of the country. There were some Mesopotamians who were putting forward the Emir Feisal as a candidate for the throne. His election would be agreeable to His Majesty's Government, and so far as they could, consistently with their undertakings to the inhabitants, they would support his claims.

Sir Percy Cox, the High Commissioner of Mesopotamia, who had recently attended the Conference at Cairo, had every hope of Feisal being selected by Mesopotamia.

At the same time there were other local candidates: the Naqib of Baghdad; Said Talib; the Sheikh of Mohammerah; Ibn Saoud himself, all of whom had to be reckoned with.

There were also the French, who were at present very angry with Feisal, and would be equally with His Majesty's Government if they appeared to be deliberately imposing him upon the people of Mesopotamia.

He felt sure that the Emir Abdullah, as an experienced politician, would understand the difficulty of any very direct action being taken.

At the same time, if the people of Mesopotamia were to choose Feisal, it would be quite easy to explain to the French that in accordance with their previous pledges His Majesty's Government were bound to accept him.

Feisal himself had been informed of the proposed policy and was now on his way from London to Jeddah.

It was hoped and expected that, as a result of letters that might pass between him and his father on the one side, and members of the Sherifian party on the other, he would eventually be acclaimed by the general voice of the Mesopotamian people. It might, of course, be otherwise. This would be embarrassing and would militate against the general success of the policy which was now under contemplation.

He felt that it would strengthen Feisal if the Sherifian party in Mesopotamia knew that the Emir Abdullah supported his candidature. He would be glad to hear the Emir's views on the general policy as outlined so far, after which he hoped to discuss further questions in which he was interested.

The Emir said that he fully understood and appreciated the fact that His Majesty's Government were taking up the Arab question as a whole. He also understood that they realised that success could best be reached by reverting to their original policy of working through the Sherifian family.

He accepted the fact that the peace settlement and their promises to third parties did not leave Great Britain free to act in Syria and in Western Palestine.

He wished to express his cordial thanks to Mr. Churchill for having adopted this policy. At the same time he wished to make it clear that the Sherifian family did not regard the Arab question merely as a personal one. They regarded themselves more in the light of spokesmen for the whole of the Arab nation. The first and most important point to them was the future of the peninsula of Arabia, the home of the Arab race.

He did not quite understand what would be the constitutional position of Ibn Saoud and the Idrisi; were they to be allowed to regard themselves as entirely independent or were they to be under British protection? If they were to be independent he did not quite see how His Majesty's Government would be able to ensure that they should refrain from hostile action against the Hedjaz. Arab politics were very largely dominated by personalities. Did His Majesty's Government intend to perpetuate distinctions which had been called into existence by these personalities or were they prepared to regard these distinctions as merely temporary?

Mr. Churchill said that His Majesty's Government must recognise existing facts. They must feel their way, as their powers were limited. Ibn Saoud, for example, was very strong—much stronger than King Hussein. It was impossible for His Majesty's Government to compel Ibn Saoud—they could only hope to influence him.

It was a necessary corollary to the policy now suggested that if the other independent rulers of Arabia at any time agreed to acknowledge the suzerainty of the Hedjaz His Majesty's Government would welcome their doing so.

The Emir said that he did not suggest for a moment that Ibn Saoud should be asked to accept the suzerainty of King Hussein, but he was not confident that His Majesty's Government would be able to restrain him.

Mr. Churchill replied that the only way to restrain Ibn Saoud was to make friends with him; to make him dependent upon His Majesty's Government; to provide him with money to help him to keep order and to assert his authority; and to make it quite clear to him that British assistance and support were conditional upon his refraining from aggression against the Hedjaz.

The Emir said that, of course, Ibn Saoud would be quite helpless without British support. The Hedjaz would never attack Nejd. All they wished for was peace and quiet.

He fully realised that His Majesty's Government were now offering to spend a large sum of money, mainly for the benefit of the Hedjaz, and he felt sure that so long as it was made quite clear to Ibn Saoud that British assistance was conditional on his refraining from aggression the Hedjaz had nothing to fear.

With regard to Mesopotamia he had no personal feeling.

It was his brother Feisal who had arranged that he should be proclaimed King of Mesopotamia. He himself had not only had no part in this arrangement, but had pointed out to his brother that he was unwise in taking a step which could only embarrass His Majesty's Government.

He was delighted with the policy as outlined for Mesopotamia and would co-operate in every way towards making it a success.

Mr. Churchill mentioned that the Emir Feisal had taken the same line when the matter was discussed with him in London and had disclaimed any desire to stand in his brother's way. He thought that this attitude reflected great credit on Feisal and Abdullah alike.

Turning to Trans-Jordania, he said that His Majesty's Government were responsible for this area under a mandate given them by the Allied Powers in the peace settlement with Turkey. They recognised its Arab character, but felt it was too small to stand alone. Economically and geographically it should go with Palestine, and he proposed that it be constituted as an Arab province under an Arab Governor responsible to the High Commissioner for Palestine.

He invited the Emir's views on this suggestion.

The Emir said that if he were permitted he would at once say what his own personal view was about the future régime for Trans-Jordania and Palestine.

If His Majesty's Government could agree that there should be an Arab Emir over Palestine and Trans-Jordania in the same relation with the High Commissioner for Palestine as that of the Emir Feisal with the High Commissioner for Mesopotamia, he was convinced that the present difficulties as between Arabs and Jews would be most easily overcome.

Mr. Churchill pointed out that as a result of the Allied decisions Palestine was in a different position to Mesopotamia. Palestine had been entrusted to the Administration of the mandatory, whereas Mesopotamia had been provisionally recognised as an independent State. He did not himself think it possible for His Majesty's Government to adopt the Emir's proposal. They were already too far committed in advance to a different system.

The Emir repeated that in his opinion the suggestion that he had made was the best possible to reconcile the Arabs and the Jews.

He would very much like to know what British policy really aimed at. Did His Majesty's Government mean to establish a Jewish kingdom west of the Jordan and to turn out the non-Jewish population? If so, it would be better to tell the Arabs at once and not to keep them in suspense. Mr. Churchill had referred to the decisions of the Allies; these were not, in his opinion, beyond challenge. The Allies appeared to think that men could be cut down and transplanted in the same way as trees.

Sir Herbert Samuel interposed that there was no intention either to cut down or to transplant, but only to plant new ones.

Mr. Churchill said that there was, in his opinion, a great deal of groundless apprehension among the Arabs in Palestine. They appeared to anticipate that hundreds and thousands of Jews were going to pour into the country in a very short time and dominate the existing population. This was not only not contemplated, but quite impossible. There were at present over 500,000 Moslems in Palestine and not more than 80,000 Jews. Jewish immigration would be a very slow process and the rights of the existing non-Jewish population would be strictly preserved.

The Emir replied that his opinion had been invited and that he could only give it.

His Majesty's Government proposed to have his brother Feisal in Mesopotamia with a High Commissioner or a mandate, or whatever term they might like to employ. He felt strongly that a similar régime should be adopted for Palestine and Trans-Jordania.

The only alternative that presented itself to his mind was that Trans-Jordania should be cut off from Palestine altogether and combined with Mesopotamia.

Though he might have been prepared to suggest a name for an Emir of Palestine and Trans-Jordania, he could not advise on an Arab Governor for Trans-Jordania alone under the authority of the High Commissioner for Palestine.

Mr. Churchill said that he would like to explain a little more fully what the position and responsibilities of the Arab Governor would be.

It was suggested that Trans-Jordania should be placed under an Arab Governor, who would recognise British control over his Administration, His Majesty's Government being the mandatory.

His Majesty's Government would naturally expect him to guarantee that he would abstain from and repress anti-French activities in Trans-Jordania.

It was assumed that he would accept British policy in Palestine west of the Jordan.

His exact relations with the High Commissioner and the nature of British-Arab control in Trans-Jordania would have to be carefully discussed and laid down.

It was considered that British control would have to be real in order to secure the interests of Palestine; to prevent the country being made a source of anxiety to the French; to enable the mandatory to fulfil international obligations, and to ensure good administration, which was necessary not only for the sake of the inhabitants, but also to enable the local Government to pay its way.

The Arab Governor would be appointed by the High Commissioner for Palestine, agreed upon in the first place by him and by the Emir Abdullah as representing the Sherifian family.

The chief officials and their principal assistants would be chosen with the approval of the High Commissioner, and all important measures would be subject to his ultimate sanction. Provisions would be agreed upon for the election of Representative Councils in Trans-Jordania.

Trans-Jordania would not be included in the present administrative system of Palestine, and therefore the Zionist clauses of the mandate would not apply. Hebrew would not be made an official language in Trans-Jordania, and the local Government would not be expected to adopt any measures to promote Jewish immigration and colonisation.

It would be necessary to determine the frontier between Trans-Jordania and the Hedjaz and Mesopotamia, and particularly to arrange for the reopening of the Hedjaz Railway, which was of vital importance to the pilgrim traffic upon which the Hedjaz depended for its prestige and prosperity.

It would also be advisable to open an air route from Amman to Baghdad, in order to draw Palestine and Mesopotamia more closely together.

In order to help the Arab Governor to establish and maintain peaceful conditions His Majesty's Government would be prepared to put a British force at his disposal at Amman. This could not be done unless the Arab Governor would make himself responsible for the safety of the line of communication with Palestine. For this purpose, and also for the preservation of order in outlying districts, the Arab Governor would require local forces which His Majesty's Government would be prepared to help him to organise, equip and maintain.

He wished the Emir to understand that he was taking a great responsibility as the new Minister in charge of the Middle East in advising his colleagues to join hands with the Sherifian family. He had been advised by certain other people that this was a very dangerous policy. He had been told that His Majesty's Government would be better advised to split up the Arabs into distinct and separate Local Governments. This had been the policy of Rome and of Turkey in the past and appeared to be to some extent the policy of other Powers at the present time. He wished to impress upon the Emir that a very grave choice had to be made within the next few days by His Majesty's Government, namely, whether they should divide or unite the Arab peoples with whom they had to to deal.

The Emir replied that he appreciated and was much struck by the policy outlined by Mr. Churchill. He still thought that his own suggestion about combining Palestine and Trans-Jordania under an Arab Emir was the best, but he was quite prepared to consider the matter in the light of the new proposals that had been made. He emphasised that it was impossible for him to give any final decision without first consulting his father and brother.

Mr. Churchill readily accepted this. He added that there was one point which he had not at present discussed and upon which he wished to make a few remarks.

The policy now suggested towards the Arabs all hung together and the Emir had been invited to Jerusalem in order that it might be explained to him and his opinion taken, but there was still a portion of the Arab world which had not been mentioned. The French authorities in Syria were not at the moment pursuing a Sherifian policy and it was not for His Majesty's Government to press them to do so. At the same time it appeared to him that if an example was set in the British sphere and at the same time His Majesty's Government could point to the admirable results achieved there by themselves, the French might possibly come round to the British way of thinking. It was obvious that to this end absolute order should be

preserved on the frontier between Syria and Trans-Jordania; the Arab attitude must be as correct as possible, and every personal effort must be made by the Emir himself to improve his relations with the French.

The Emir promised to consider the matter very carefully and asked for a copy of the actual proposals in so far as they related to the future régime in Trans-Jordania.

Sir Herbert Samuel said that he wished to take this opportunity of explaining British policy in Palestine. There was no question of setting up a Jewish Government there. The present administration would, he hoped, continue for many years—with the modification that many more local officials would gradually be employed. All religions would be equally respected. No land would be taken from any Arab, nor would the Moslem religion be touched in any way. The Mandate embodied the terms of the Balfour Declaration in which two distinct promises were made—one to the Jews and the other to the Arabs. His Majesty's Government were resolutely determined to fulfil both these promises.

If the Emir were to make enquiries from his friends in Palestine he would find that no Arab had been treated unjustly and no damage done in any way to Islam by the British Adminstration. On the contrary, schools were being opened all over the country, and the Awkaf was in process of being handed back to a purely Moslem body. He was confident that in thirty or forty years it would be found that exactly the same policy was being pursued. No British High Commissioner, and certainly not himself, would ever countenance harm or injustice being done to the non-Jewish population.

With regard to the Emir's suggestion for the combination of Palestine and Trans-Jordania under one Emir, he was doubtful whether a dual Government of this kind would be a success. At the same time he would be delighted to work hand-in-hand with the proposed Arab Government of Trans-Jordania. Personally he had always been pro-Arab and he much regretted the developments in Syria which led to the expulsion of the Emir Feisal. He had often urged the French, both before and after he had become High Commissioner for Palestine, to come to an agreement with the Emir's brother.

So far as he could speak personally, he was sure that the proposal of His Majesty's Government would work easily and well.

The Emir thanked the High Commissioner warmly for his statement. He was much relieved at his exposition of British policy in Palestine. He had himself heard nothing but praise of the High Commissioner and his Administration. His own proposal had not been in any way intended unduly to press Arab claims or to embarrass the High Commissioner, it was only a suggestion, which he still believed to provide the best solution to the temporary difficulties with which both sides were faced.

SECOND CONVERSATION ON TRANS-JORDANIA.

Present :

The Right Hon. W. S. Churchill, M.P., Secretary of State for the Colonies.
Sir Herbert Samuel.
Mr. Deedes.
Colonel Lawrence.
Major Young.
H.H. Emir Abdullah.
Auni Abdul Hadi.

Sir Herbert Samuel said that Trans-Jordania was at present administered as three separate areas. There was no central administration. He thought this wrong, and proposed that it should now be combined into one. The proposal was that an Arab Governor should be selected by the Emir and appointed by the High Commissioner. He would have with him a British Adviser who would assist him to organise his administration.

The Emir said that before discussing the proposal he wished to explain how it was that he had come to Trans-Jordania. His original intention had been to

preserve the remnant of his brother's kingdom of Syria. After the departure of the Emir Feisal from Damascus no precise information was available in the Hedjaz as to the state of affairs in or the future of Trans-Jordania. Feisal had written to his father and asked him to send someone to take charge of his officials and administration. Almost immediately after this had come the rising in the Hauran. It has been represented as urgently necessary that someone should come from the Hedjaz to defend Trans-Jordania from attack from the north. King Hussein had not been anxious to send anyone—not that he did not care, but he thought that His Majesty's Government who had promised the independence of the Arabs in all districts other than those under French influence, would themselves take the necessary steps. He did not wish to appear mistrustful of His Majesty's Government. This had been the reason for the delay.

The Emir himself had then told his father that he wished to go in person to Jebel Druze, the Hauran or anywhere else where his presence might be necessary. He had come up to Ma'an where all the leaders of the district had come to him and renewed their allegiance to King Feisal. At their request he had intended to stay to keep his brother's seat warm. He had himself given orders that British officers in Trans-Jordania should be respected. This he had done because he was confident that his Majesty's Government would not disappoint the hopes which they had themselves encouraged. He then heard unofficially that if he proceeded to Amman all British officers would be withdrawn. This had greatly astonished him, for British officers had not been withdrawn from Damascus when the French came in. He had, however, remained inactive at Ma'an for several weeks. He had never given an order that any tribe should go out and attack the French or anyone else. He was waiting for the result of the negotiations with Feisal Feisal was now returning to Jeddah with proposals which would, he thought, be acceptable to King Hussein, but until his father had seen and pronounced upon them it was not in his opinion possible for any definite conclusion to be arrived at.

The people of Trans-Jordania had already refrained from anti-French action in Syria and would continue to do so were it not for the large number of exiled Syrians who had settled down among them. He wished to warn Mr. Churchill that whatever decisions might now be taken with regard to the British sphere, anti-French action in Syria itself would continue as long as the French followed their present policy. He did not mean by this that anti-French activities would be encouraged from within the British zone.

Mr. Churchill said that His Majesty's Government were only concerned to see that the French were not annoyed from Trans-Jordania. When the French accused him of fomenting hostility to themselves by his Sherifian policy he wished to be able to reply that the exact contrary was the case. He wished to be able to say that it was precisely because His Majesty's Government had adopted a Sherifian policy that the Sherif were no longer actively hostile to the French. More especially did he wish to be able to say this while Feisal's candidature for Mesopotamia hung in the balance.

The Emir replied that speaking for himself personally he would guarantee that he would keep Trans-Jordania quiet, as it was at present, until he could show the proposals of His Majesty's Government to King Hussein and to Feisal. He gave his word of honour, which he had kept throughout the war, that there should be no anti-French action. At the same time he was very nervous about French policy. He understood that the French had made peace with the Turks: they were concentrating their troops to the south, and they would tighten their hold on the Hauran and possibly the Jebel Druze. Loud appeals would come from Syrians to their relations in the British zone, which it would be impossible to ignore and very difficult not to meet.

Mr. Churchill did not entirely share these fears. He thought that the French had withdrawn their troops from Cilicia not in order to concentrate on the Hauran, but with a view to reducing expenditure. He quite realised the Emir's difficulties and only asked him to do what he could.

The Emir felt that he must explain the whole position now so that he might not be blamed afterwards for anything that might happen. French oppression in Syria made the position in Trans-Jordania almost impossible. Replying to a question by Mr. Churchill he said that he would rather not have British troops in Trans-Jordania during the month which must elapse before King Hussein had pronounced upon the British proposals. He agreed with Sir Herbert Samuel that

in view of the fact that the local gendarmerie had received no pay for three months he would be comparatively helpless without some force behind him. At the same time he did not think the moment had arrived for the despatch of British troops.

Mr. Churchill very much appreciated the frank manner in which the Emir had explained his position. He suggested, and the Emir agreed, that he should meet his brother Feisal, preferably at Kantara, as he passed through. Colonel Lawrence would be present at the meeting and would report to him what result had been arrived at.

THIRD CONVERSATION ON TRANS-JORDANIA.

Present:

The Right Hon. W. S. Churchill, M.P., Secretary of State for the Colonies.
Sir Herbert Samuel.
Mr. Deedes.
Colonel Lawrence.
Major Young.
H.H. Emir Abdullah.
Auni Abdul Hadi.

Mr. Churchill explained that he had been carefully considering the Emir's position since the last conversation and, in view of the great difficulties in the way of his accepting the appointment of an Arab Governor other than himself, at the end of the month, during which it had been suggested that he should communicate with his father, he had made the following proposals privately to the Emir. He had suggested that the Emir himself should remain in Trans-Jordania for a period of six months to prepare the way for the appointment, with his consent, at the end of that time of an Arab Governor under the High Commissioner. During the six months a British Political Officer would be attached to the Emir as his chief adviser, who would assist him to restore order in Trans-Jordania and to set the revenues of the country on a proper basis. He would be prepared to give the Emir such support in money and troops as was really indispensable for the attainment of this object. In return for this support he would ask the Emir to guarantee that there should be no anti-French or anti-Zionist agitation in the country and that he would co-operate in every way in the establishment of secure conditions under the British mandate. He would also ask him to give every assistance in the opening up of the Trans-Desert route to Mesopotamia, which would be of equal advantage to the British and the Arabs. He would himself do what was in his power to reopen the Hedjaz Railway.

The Emir replied that after full consideration he had decided to accept the proposal. He only asked that he might be regarded as a British officer and trusted accordingly. He was grateful to Mr. Churchill for having realised the difficulties of his position, and promised that he would do everything he could to ensure the success of the proposed arrangement. He mentioned that one of the chief difficulties in Trans-Jordania was the presence there of a number of exiled Syrians, who were naturally very hostile to the French, and asked that, if possible, the French authorities in Syria might be moved to proclaim an amnesty and to allow them to return to their homes He feared that he might have some difficulty in ensuring that there should be no local disturbances on the Syrian border, as the tribes on the Trans-Jordania side were in the habit of making periodical raids on their neighbours on Syrian territory which had nothing to do with the French being there, but which would undoubtedly be interpreted by the French as action directed against themselves. Replying to a suggestion by Colonel Lawrence, he agreed that it might be possible to direct the attention of the raiders against their immediate neighbours on the Trans-Jordania side of the frontier, and said that he would endeavour to secure this.

Mr. Churchill promised that he would do his best to induce the French High Commissioner to proclaim an amnesty at Damascus for the exiled Syrians. He informed the Emir that His Majesty's Government contemplated the proclamation of a similar amnesty in Baghdad for exiled and fugitive Mesopotamians, and he proposed to suggest to the French that it would be of advantage to all concerned if

the proclamation of the two amnesties coincided. He thanked the Emir for his readiness to help, and assured him that he would be given as far as possible a free hand in the very difficult task which he had undertaken.

LETTER FROM MR. CHURCHILL TO GENERAL GOURAUD.

My dear General, *En route to Alexandria, March* 31, 1921.

I am extremely disappointed not to have seen you during my visit to Palestine. Had it been possible for me to have postponed my departure for England I would gladly have done so; but the pressure of my work at home when Parliament is sitting is considerable, and I have already been away for nearly five weeks.

I had, however, a valuable and pleasant interview with M. de Caix, to whom at his request I explained the general orientation of our policy. On the whole it is leaning to a Sherifian solution, but of course we shall be guided by the wishes of the people both in Iraq and elsewhere.

As regards Trans-Jordania, I am most anxious to give you effective security from raids and annoyance of all kinds. I have made an arrangement with Abdullah of an informal and temporary character whereby he is to use his whole influence to prevent any disturbances in the French zone arising out of Trans-Jordania. He will promote the organisation of local levies under the command of British officers, and will develop the local administration now existing. I shall not send a British garrison into Trans-Jordania at present, but air forces will be employed in support of the local levies.

Undoubtedly the Emir Abdullah in the existing situation has power to create considerable disturbances. It remains to be seen whether he will have equal power to prevent them. It is by his success or failure in this respect that he must be judged. I hope you will do what you can to assist me in this respect. His principal difficulty will be the Syrian exiles, who are roaming about in Trans-Jordania homeless and angry. I heard with much pleasure from M. de Caix that you were contemplating the possibility of an amnesty at no distant date. Such a course would undoubtedly be a very great help to the pacification of Trans-Jordania and to securing the French zone against annoyance from that quarter. In this connection you may be interested to know that we intend to proclaim a general amnesty, with certain necessary exceptions, in Mesopotamia early in April. If it were possible to synchronise the date of the French and British amnesty it would have the advantage of appearing to be an act taken in common by our two nations and would give the impression to the Arab world that we were working hand in hand. I cannot long delay the amnesty in Mesopotamia; but if there was any chance of its synchronising with similar action upon your Excellency's part, I would delay it until the eve of Ramadhan. If you think this suggestion helpful, perhaps you will communicate with Sir Herbert Samuel, who will at once inform me.

I have arranged with Abdullah that Ali Khoulki, of whom you spoke to me, shall be removed from his present position and sent to a district remote from the French zone; and I have given the strictest instruction to everyone serving under the Colonial Office to do everything in their power to further and facilitate French interests and the security of French territory. I am sure I can count upon similar aid from you. It is a great advantage that a French soldier, who is so greatly honoured throughout the British service, should at the present juncture be in charge of French interests in the Middle East.

With sincere regards,

Believe me, &c.

(Signed) WINSTON S. CHURCHILL.

His Excellency M. le Général Gouraud.

LETTER FROM MR. CHURCHILL TO SIR HERBERT SAMUEL.

My dear Samuel, *At sea, April* 2, 1921.

I send you in the form of a private letter the procedure which I think we should adopt with regard to Trans-Jordania during the six months from the 1st April. This letter will be officially confirmed from London when I arrive, but meanwhile you should act in accordance with it.

The Emir Abdullah has promised to work with us and for us to do his best to restrain the people from anti-French action and to form, with our assistance, a local administration which can later on be handed over to a native Governor of less consequence than himself. His position will be informal, and no question either of governorship or sovereignty is raised. He must be given a very free hand, as he has a most difficult task to perform. Not only has he been checked in mid-career in his campaign against the French, but he has been asked to execute a complete *volte-face* and to take active steps to nullify the effects of his previous policy. I feel sure that you will realise the extreme delicacy of his position and will make every allowance for it. I have promised him that you will be very chary of believing any complaints against him, whether they come from Trans-Jordania itself or from the French in Syria. The same latitude must be given to him in speeches that he makes as would be given to a Member supporting the Government but with a shaky seat; and I should be glad if you would consult me before remonstrating with him, even if there appears to be some grounds for disappointment.

I do not think you can do better than employ Captain Clayton as Abdullah's adviser. He should be readily available. I must leave you to arrange this yourself with Lord Allenby. I have informed Lord Allenby that you will probably be asking him almost immediately for Clayton's temporary services. I have also telegraphed to Lord Curzon asking him to help on this point.

With regard to finance, I am prepared to regard Trans-Jordania as an Imperial commitment for the present, and will not ask you to contribute towards the deficit in expenditure from Palestine revenues beyond the sum you have already provided on account of the Trans-Jordanian share of Palestinian customs less certain deductions. At the same time, you should exercise as close a control over this expenditure as you can consistently with leaving Abdullah a free hand, and I look forward to the time when the Trans-Jordanian revenues, like those of Palestine, will not only contribute to, but ultimately meet in full, all civil and military charges. The taxes, if any, collected in Trans-Jordania will in the first instance be credited to the Colonial Office. I shall credit you with the necessary funds as soon as the vote is taken in the House of Commons. Meanwhile, I must ask you to advance whatever sums are necessary, pending the final readjustment. In particular I wish you to make an immediate advance on this basis up to 5,000*l.* to Abdullah for his personal expenses, quite apart from administrative or military expenditure, in Trans-Jordania. This had better be arranged through Lawrence, as he will know better what Abdullah's needs are and how the payments can most conveniently be made.

I enclose you a copy of a letter which I have sent to General Gouraud, and also of a note which I shall circulate to the Cabinet immediately on my return, and, thirdly, a copy of a telegram which I have sent to Sir Percy Cox.

Yours, &c.

(Signed) WINSTON S. CHURCHILL.

Appendix 20.—Palestine Defence Force.

EXTRACT FROM MINUTES OF FIRST MEETING OF PALESTINE POLITICAL AND MILITARY COMMITTEE.

MARCH 17, 1921.

(For remainder of minutes and composition of Committee, see Appendix 17.)

Sir Herbert Samuel mentioned that it was proposed to form a defence force of two battalions during the forthcoming financial year, recruited on the militia basis, under the command of an officer who would be directly responsible to the General Officer Commanding. One battalion would be formed from the Jewish population and one from the Arab.

The Chairman observed that the latter battalion, as a factor in the maintenance of public security might in certain circumstances conceivably pass through infinity and change its sign.

Sir Herbert Samuel hoped to enlist two battalions of 600 men each in the next few months. They would have six months' training and then serve for six months at their stations: in each of the next three years they would serve for three months and afterwards be called up in case of emergency. These proposals were not yet finally approved. He hoped that it would be possible to maintain 1,000 men under arms who would always be available out of 1,200 serving. 2,400 recruits, if forthcoming, would be enlisted during the years 1921–22. He held the view that if there were a garrison in Trans-Jordania it would be easier, and not more difficult, to reduce the garrison in Palestine, as disturbances were always liable to emanate from across the Jordan. The feeling of the Jews was that it was only equitable for them to defend their own National Home, and he was aware that similar sentiments could not fail to affect British public opinion, where the argument that it was unjust and unnecessary for British blood to be shed and British money spent in defending the Jews would certainly be advanced in the event of disturbances. He therefore proposed to make an appeal to the patriotism of young Jews, as it was impossible, owing to financial limitations, to maintain an adequate force at a high rate of pay. They would, therefore, only receive 5*s.* a week, but he was informed that there would be no difficulty in obtaining sufficient recruits from Jewish sources to complete the establishment. In order to prevent a grievance arising among the Arabs, if only a Jewish force were formed, it was proposed to offer the opportunity of recruitment to Arabs at the same rates. He realised that it might prove impossible to complete establishments from Arab sources on these conditions, but at least there would then be no justification for complaint against the Jewish force. In his opinion Palestine would, for political reasons, require British troops in the country for as long as could be foreseen. He felt confident that the disposable revenue of the country, excluding railway and post office expenditure and debt charges, which now amounted to 1,250,000*l.*, would, in the not far distant future, increase to two million pounds. He thought that in the future it would meet the views of the people of Palestine and of the British Empire if the British troops maintained in Palestine were made a charge upon the Palestine Government when its revenue could bear the cost.

SECOND MEETING OF THE PALESTINE MILITARY COMMITTEE.

MARCH 18, 1921.

President:
Lieutenant-General Sir W. Congreve.

Members:
Major-General Sir P. P. de B. Radcliffe.
Air-Vice-Marshal Sir G. Salmond.
Mr. W. H. Deedes.
Colonel-Commandant Newman.
Colonel Lawrence.

Secretary:
Lieutenant-Colonel B. H. Waters Taylor.

His Excellency the High Commissioner of Palestine, the Rt. Hon. Sir Herbert Samuel, P.C., G.B.E., was present.

The Committee proceeded to discuss the future composition and functions of the Palestine Defence Force.

1. The military members of the Committee stated as a principle that local armies should not be created; any forces in addition to those required for maintenance of law and order and internal security should be Imperial troops available in an emergency for service in any part of the world. The views of the military members of the Committee were that the most valuable effort of Palestinian patriotism would be the contribution of an efficient and adequate gendarmerie releasing Imperial forces from the duties of police. The formation of a gendarmerie force would remove the contentious points which would arise from the creation of a Jewish national army. The latter force could not be employed in Palestine except within restricted Jewish areas; its use in operations outside Palestine was inadvisable on account of the religious feeling which would be

provoked throughout the Arab world. None of these objections held good in the case of gendarmerie, who would be equally efficient in holding the frontier posts.

2. The arguments of the High Commissioner in favour of a Palestine defence force were heard. The High Commissioner stated that the question of policy had been referred to the Colonial Office who had consulted the War Office, and had telegraphed that the War Office saw no objection to the proposals he had made. The preliminary arrangements had therefore already been put in hand. A defence force locally raised was advisable, (*a*) to enable Jews to share in bearing the brunt of defending their National Home; (*b*) to provide against the possible eventuality that British troops, at some period of difficulty for the Empire, might be wholly, or almost wholly, withdrawn; and (*c*) to enable Palestine contributions to be made to the cost of defence (the people would prefer their forces to be used, at least partially, for a local force, rather than for the money to be used entirely as a payment for the services of British troops). A gendarmerie would not at all satisfy Jewish sentiment, and men would only enlist in it for full wages, and not on the inexpensive scale proposed for the defence force. Nor would a gendarmerie satisfy the conditions (*a*) and (*b*) above. Local forces have been created elsewhere, *e.g.*, the King's African Rifles. The necessity is the greater in Palestine as it is not a permanent possession, and as it was possible that the mandate might be terminated. The force would contain both Jewish and non-Jewish companies. These could be employed without objection for defence against raids, and could be employed in support of the police for the suppression of internal disturbances, except where political issues were involved. He did not think that it would be safe for all British troops to be withdrawn for many years to come, though he was obliged to contemplate the possibility that orders might be sent from London in certain eventualities to evacuate the country.

3. The Committee considered, and the G.O.C., E.E.F., was imperative on the point, that the uniform of the Palestine local forces should be quite distinct from that of the Imperial forces. The High Commissioner was in agreement as to the necessity of a distinction, but considered that the uniform of the local forces should approximate to that of the Imperial forces.

4. Sir Herbert Samuel proposed that with each battalion of his local defence force should be a cavalry detachment of perhaps fifty strong, owning their own horses, if volunteers could be found who were willing to bring horses and to serve as cavalry. The armament and composition of these forces should follow that of the Imperial forces, *i.e.*, machine gun platoons, Vickers guns (and possibly Hotchkiss guns for the cavalry), and in addition first line transport. The general principles to be aimed at in the formation of these local forces was that the Imperial army should assist as far as was within their power with instructors, organisation and administration; the local forces paying any actual expenses to which the Imperial forces might be put on this account, but desiring to be treated as an adjunct of the Imperial forces.

5. The subject of air force action in Trans-Jordania was then discussed. The High Commissioner's point of view was that the air force operating in Trans-Jordania should be considered as much an integral portion of the Imperial forces in that district as the air forces operating in Palestine are considered an integral portion of the Palestine garrison. He further considered that the formation of an air station at Amman should be almost entirely a charge against the Desert Air Route. The military members of the Committee were of opinion that it would be necessary to commence forthwith the construction of aerodromes and their necessary dumps at Irbid, Kerak and Amman. The ground for the aerodromes and labour involved in their construction appeared, as regards the first two, to be a charge against the Trans-Jordan Government. As regards Amman the allocation of the amounts due from the Government or the air route should be a matter of settlement between the Departments concerned. The guards for aerodromes and dumps to be undertaken by the local gendarmerie. The High Commissioner concurred.

EXTRACT FROM MINUTES OF SIXTH MEETING OF COMBINED POLITICAL AND MILITARY COMMITTEE.

MARCH 19, 1921.

(For remainder of minutes and composition of Committee see Appendix 13.)

The Chairman read the report of General Congreve's Committee of the 18th March on the Palestine Defence Force. He realised that General Congreve was in favour of a gendarmerie, but he thought that, bearing in mind the world-wide character of the Zionist movement, and the desire expressed by the Jews to help in their own defence, it would be better to decide upon troops.

General Congreve emphasised that an entirely distinctive uniform should be worn by the Defence Force. In the disturbances in Jerusalem a year ago members of the Jewish battalion had been taken for British soldiers because both forces wore the same khaki. In view of the racial feeling in the country at the present time there was no doubt that a very clear distinction should be made.

Sir Herbert Samuel observed that he was anxious that in order to increase its prestige among the local population the general impression should be given that the Defence Force was attached to the British army. He agreed that some distinction should be made, but he thought that the provision of an Australian hat and a different badge for the Jewish battalion would perhaps be sufficient. No definite decision had yet been arrived at as to the Arab battalion. He pointed out that the Sherifian army had been allowed to wear khaki.

General Congreve observed that the only reason for this was that no other material was available during the war, and he must insist that the two uniforms should be unmistakably distinct.

The Chairman agreed with General Congreve, and he suggested that Sir Herbert Samuel should appoint two members of his staff to submit suggestions for discussion.

General Congreve stated that if he were unable to be present himself, Colonel Waters-Taylor would represent him.

Sir Herbert Samuel requested Mr. Deedes and Captain Peake to take the matter up, and to get patterns of the uniform approved by him made as soon as possible for the Secretary of State to see before his departure. He hoped that the army would assist in training the Defence Force, and would agree that officers and N.C.Os. might attend courses given at Army Schools of Instruction, at the expense of the Palestine Government.

General Congreve agreed to assist. *Sir Herbert Samuel* asked from what source officers of the Defence Force should receive their commissions.

Major Young pointed out that if they were to receive them from the King, the Defence Force would at once become part of the Imperial army. In Egypt and West Africa officers were seconded for duty with the local forces.

Sir Herbert Samuel pointed out that this would necessitate all the officers holding British regular commissions.

Mr. Deedes suggested that as the troops belonged to the mandatory, the commissions might be given by the King until such time as the mandate ceased, when power to grant them would be vested in the local Government.

Colonel Waters-Taylor stated that in West Africa the High Commissioner issued a warrant to officers, granting them special local powers.

Major Young stated that it had been definitely ruled by the Law Officers of the Crown that Palestine could not be regarded as a part of the British Empire, when the point was raised in connection with the extension to Palestine of Imperial preference. Indian officers of the Indian army received their commission from the Viceroy.

The Chairman agreed that this was the precedent to be followed, and that commissions to local officers of the Defence Force should be issued by the High Commissioner. A form of warrant or commission would be drawn up by the Middle East Department in London.

Appendix 21.—Palestine: Civil and Military Finance.

PALESTINE DEFENCE FORCE.

SUB-COMMITTEE MEETING HELD ON MARCH 28, 1921, AT THE OFFICE OF CONTROLLER OF STORES, RUSSIAN BUILDINGS, JERUSALEM.

THE Sub-Committee proceeded to discuss proposals for officers' rates of pay in the Palestine Defence Force, and reached the following conclusions:—

Rates of pay to be in accordance with Appendix "A" (attached), subject to footnotes thereto and the following conditions:—

(*a.*) Accommodation provided for all officers at a moderate rental; where required, married quarters will be granted, provided the officers concerned have attained the rank of captain or have completed eight years' service, whichever comes first.

(*b.*) Passage money given on same terms as to civil officials (*i.e.*, cost of passage).

(*c.*)—1. Outfit allowance of 75*l.* to be granted to 2nd lieutenants on joining.

2. Outfit allowance of 25*l.* to be granted to other officers for the purchase of additional kit.

(*d.*) Officers and officers' messes may purchase rations from the contractor at contract rates—$2\frac{1}{2}$ per cent. (two and a half per cent.) for departmental expenses.

(*e.*) The following will be mounted officers:—

General officer commanding and headquarters staff, 5.
Battalion officers—
1 lieutenant-colonel
2 wing commanders
4 company commanders
1 adjutant
1 transport officer
1 medical officer

and be provided with one Government horse each except the commanding officer, who will be entitled to two.

APPENDIX (A).

Rates of Pay.

(Per annum.)

——	1st Year.	2nd Year.	3rd Year.	4th Year.	5th Year.
	£	£	£	£	£
Lieutenant-Colonel, Grade II	850	900	950	1,000	1,050
Major, Grade III	650	675	700	725	750
Captain, Grade IV	350	375	400	425	450
Lieutenant and 2nd Lieutenant, Grade V ..	250	270	290	310	330

FOOTNOTES.

(*a.*) All rates *plus* 20 per cent. cost of living allowance (temporary).

(*b.*) Officers resident in Great Britain and Ireland or the Colonies will draw leave allowance in accordance with the rate laid down for the same grade of civil officials. (This applies to British subjects.)

(*c.*) Duty pay—

Adjutant, 96*l.* yearly.
Quartermaster, 96*l.* yearly.
Company Commander, 48*l.* yearly.

(*d.*) Travelling and subsistence allowances as per civil scale.

(*e.*) The question of pensions should be adjusted on settlement of civil rates.

Appendix B.

Summary of Comparative Net Rates of Pay in £.

	British Army.		Palestine Defence Force (Suggested).					Egyptian Army.	K.A.R.
	Gross.	Approximate.*	1st Year.	2nd Year.	3rd Year.	4th Year.	5th Year.		
	£	£	£	£	£	£	£	£	£
Lieutenant-Colonel or Khaimakam	1,288	1,054	1,020	1,080	1,140	1,200	1,260†	1,074	1,164
Major or Bimbashi	789	695	780	810	840	870	900†	828 888 (After 5 yrs.)	849 (Second in Command) 705 (Company Commander)
Captain and Adjutant or Sagh Kolaghassi	686	610	516	536	576	606	636†	648	624
Captain and Quartermaster	588	538	516	536	576	606	636†	..	510
Captain or Youzbashi	598 (After 15	544 yrs. service add	468 (Company Commander)	498	528	558	588	414 452 (After 4 yrs.) 510 (After 8 yrs.)	534
		£57·50)	420 (Platoon Commander)	450	480	510	540†	As above.	488
Lieutenant or Malazim Awal	456	445	300	324	348	372	3 †	292 331 (After 4 yrs.)	439
2nd Lieutenant or Mulazim Tani	403	402	300	324	348	372	396†	254	390

* Excluding Income Tax.

† Excluding leave allowance—

	£
Lieutenant-Colonel ..	75
Major to Captain ..	50
Staff pay included for—	
(*a.*) Adjutant ..	96
(*b.*) Quartermaster ..	96
(*c.*) Company Commander ..	48

Including staff pay—

	£
Lieutenant-Colonel ..	144
Major, Second in Command	96
Company Commander ..	48
Captain, Adjutant ..	96
Quartermaster ..	48
Captain Company Commander ..	48

Also ration allowance and bonus.

Verbatim Report of Meeting held at Government House, Tuesday, March 29, 1921, to discuss the Defence Force.

Present:

The High Commissioner.
The Secretary of State for the Colonies.
The Civil Secretary.
General Palin.
General Costello, V.C.
Colonel-Commandant Smith, V.C.
Colonel Lawrence.
Major Young, D.S.O.
Colonel Bramley.
Captain Peake.

Sir Herbert Samuel: There are three aspects of which I am thinking—political, financial and military—all of great importance. Politically, the reason why I have favoured the militia system or service and the large reserve is that one had to contemplate the possibility that Imperial reasons or political reasons might demand the withdrawal of the army, and that we should be thrown on our own resources.

If we have, say, 1,000 or 1,500 men trained to arms, the situation might be an exceedingly difficult one. If, on the other hand, we had several thousands in reserve we could face that situation. This is an aspect of the matter that is purely political and not military at all, which point of view would have to be taken into account.

I have to consider that we may be thrown on our own resources and make provision for that situation.

The second consideration is financial. I was asked by the Cabinet in a very urgent telegram to make a contribution to the finances of the country.

Now, the great advantage of the militia system is its cheapness, as the men are not paid but only receive a small allowance. After their term of short service they go back to their farms or employment. The allowance to be 1*l.* per month. As between militia and gendarmerie there would be a saving of many thousands of pounds.

From the point of view of efficiency the men with a six months' training could not be so good as those with twelve months' training. Six months' training would, however, probably be sufficient for the purpose in view.

The other consideration which is of great importance is the Jew and Arab problem. The Jews would come forward in large numbers, which cannot be said of the Arabs. The Arabs obviously will not pay for a Jewish force, and I am not sure but that we will have to have a dual system. This is a possible contingency which, I think, must be considered, and which I have thought about very deeply.

There is no question, of course, that the numbers would be far greater under the militia system than under the long service.

As far as the Arab is concerned, he is of more value for long service. In all our experience the militiaman is not so good, but there is good material here. A great number of the population have already had training. Many Jews have served in the Judean battalion, and others have served with the Russian army.

General Costello agreed, and considered they were quite up to the level of the Indian army. He emphasised the fact that militia service was not suitable to men of the Arab type, as shown by experience on the Indian frontier.

Colonel Smith said that with regard to short service for Arabs he was against it. When dealing with Arabs as soldiers the discipline must be continuous if you are to use them as a fighting force.

Colonel Bramley, when asked for his views, remarked that he was mainly concerned as to how far this force would be of assistance to him from the point of view of public security, and therefore its efficiency was very important.

General Palin said that, talking as a general commanding the troops in Palestine, he thought that any force that is raised in Palestine which will come under that general should be a regular force with long service. With regular troops the discipline and training is better.

If you had a training depôt at Ludd with a staff to begin with of British instructors, which I think the War Office would supply, and if the pay was good (with a contract for one or two years and local rank), I think you would get a very good staff of instructors. The recruits (long service) would go there for instruction and be drafted out to the areas or battalions or companies in Northern or Southern Palestine as required.

The whole of the force would be trained under the one system, under the officer commanding the Defence Force.

The Secretary of State remarked that, looking at the question from a political point of view, he did not think that it need be contemplated that England would suddenly say that she would recall all the troops, leaving the population of Palestine without any means of defence. If matters came to that pass in England we would be in a very bad way, and the country would be in a state of revolution.

I want you to have a Jewish battalion which will be a credit to the Jews and to the British, and discipline is a thing which comes only after considerable training. Our experience of the British army has shown the value of discipline in regiments where you have long service, N.C.Os. and men imbued with *esprit de corps* and a soldierly spirit.

His Excellency: If we put the Defence Force on a militia basis the Jews will enlist and the Arabs won't. On the other hand, if you put it on long-service basis —say three years—the Arabs will enlist and the Jews won't. The Jews don't want

to be soldiers, they want to cultivate the land. They do not come here with the idea of spending three years in the army.

The Secretary of State said he quite appreciated this point, and asked the High Commissioner to sound opinion on both sides. He thought it would be a very good thing if many of the Jews on first arriving in the country did a certain amount of service.

The question of pay was discussed. If men serving in the Defence Force are paid at the same rate as the men in the gendarmerie it would mean an increase of 36,000*l.* annually above the present estimate.

The Secretary of State brought up the question of making a grant of land to the soldier at the end of his service.

The Secretary of State said that he could certainly promise to make a contribution to the upkeep from Colonial Office funds.

His Excellency the High Commissioner said that when he received the telegram from the Foreign Office he looked about to see how much he could afford from the revenues of Palestine. The present revenue of Palestine only just covers expenditure, the expenditure having been unduly cut down; very little is given to various services which ought to have much more.

The Ottoman Public Debt now brings in 300,000*l.* a year. The Turkish Financial Commission has to be paid an annuity for the year which is past. It has been ascertained from Constantinople that the figure may not be more than 200,000*l.*, leaving 100,000*l.* which is going to the Defence Force. It may be even less, in which case there may be 150,000*l.* in hand.

In addition, during the last two years, since the occupation, the revenues have not been handed over but have been put to a Suspense Account, so there is an accumulation of nearly half a million, which is being used temporarily for certain capital expenditure until a loan is arranged. The whole of that sum is to be allocated to the Defence Force.

This will be discussed later.

On the militia basis the charge would be very much heavier the first year than for later years, also the force would cause considerably over 100,000*l.* deficit for several years to come, which would be paid for when the revenues expanded sufficiently to enable us to pay. If the contribution was so much per cent. of the revenue, that would be quite sufficient from the Treasury point of view. I am anxious to relieve the Treasury of the cost of Palestine. I want to be in a position to say after a few years (I cannot say it now), that Palestine will pay for her own defence by employing her own troops, but I think it will always be necessary to have a British garrison here.

Secretary of State: You can pay the Colonial Office and I will pay the War Office.

It is not indispensable that the same conditions should operate with regard to the Arabs and the Jews. It would be much better if they could, but do what is necessary to meet the needs of both within the limits of military efficiency.

The longer the service the better. Try and see what inducements you can make to get the Jews to come forward on the basis of three years' service, or if that is impossible then two.

As for the Arabs they might do two years.

His Excellency said that he would ascertain the views of the various representatives.

The Secretary of State remarked that if the Jews came forward on the three or four years basis and the Arabs on two years it would add to the complexity of the work.

It was pointed out that there were various forms of enlistment in England, and it was hoped that the men would come forward voluntarily.

His Excellency: What is a substitute or alternative for the militia system?

General Costello suggested two years for a Jew and Arab alike, with the option of extending their service on completion to say six or eight years.

Colonel Bramley said that the same method of enlistment was in force in the police.

General Costello thought it was necessary to compare the two services. In the militia a man did one year to start with and three months during each consecutive year

for four years. In the suggested short-service system a man put in two years to start with and would only come up for training again for periods of two months in every second year.

The High Commissioner emphasised the fact that he had been asked by the Foreign Office to do all he could in the way of defence with the money at his disposal.

The Secretary of State: The Cabinet is very averse to the idea of spending seven million on the defence of Palestine, and if the number of regular troops could be reduced the saving on the military would be available for public works. There should be no great difficulty about this.

The High Commissioner: Suppose I find when I go into the estimates that the force of 1,200 men will cost more than we have money for, would you rather that I should ask you to make up the amount or have fewer men?

The Secretary of State: Put up this case. The point is whether I can get the General Staff to agree that the formation of a new unit justified the withdrawal of British or Indian units and will show a saving on the unit.

The High Commissioner: I have this half million to draw on and I am quite prepared to use this up for the sake of defence.

The Secretary of State: Things have changed since last year. I am looking at it from a different point of view—from the point of view of the British army. Last year we could not discharge all our duties as we were very short of troops, now things are settling down.

There is of course the Egyptian situation—which is a serious one—and I am pretty certain that the General Staff will endeavour to keep a considerable number of British units in Egypt. Instead of dispensing with British units they will dispense with the Indian units and place a special reserve in Egypt.

Obviously the forces in Egypt and in Palestine must be considered as available to support each other in the event of emergency. A number of British units will always hold the Canal.

The High Commissioner: I am afraid of being reproached in the future—when there is a sudden change of Government in England which will take all the troops away—of having nothing in the way of a Defence Force.

The Secretary of State: If they say we are going to clear out of Palestine, which appears perfectly safe, and where they have such and such a number of Jews in training, it might be very dangerous. It would be a very difficult thing to hold the population down by a minority.

General Costello asked whether the expense of the force was fully realised. He had general headquarter figures, and they were very large figures—280,000*l.* for the original force of 2,400 militia.

The High Commissioner: When I was talking about the financial position I did not mention that when we get this force in being we can make a great reduction in the police.

On the other hand, there is Trans-Jordania, and if we are considering the cost of a Defence Force there I have not got any money to pay for it.

The Secretary of State: I am rather hoping that we may avoid the need of putting British units in Trans-Jordania, in which case I should certainly say that with half a million in hand that a portion could be used to raise a local Defence Force. It might be possible to raise high-class native units there with a high percentage of British officers.

The High Commissioner: We did contemplate that we need not have British troops permanently in Trans-Jordania. Our Defence Force should be the garrison of Trans-Jordania.

Colonel Bramley referred to the question of cutting down the Police Force, and ventured to point out that the police could not safely be cut down before the Defence Force was a really efficient unit contributing to the public security of this country.

The Secretary of State suggested that the details should be discussed later and the conference ended.

MINUTES OF A MEETING HELD AT GOVERNMENT HOUSE, WEDNESDAY, MARCH 30, 1921.

Present:

Civil Secretary.
Financial Secretary.
General Costello.
Major Young.
Sir George Barstow.
Mr. C. D. Harvey.

. . . . when Palestine is prepared they can take over Defence Force and say this is our force.

Sir George Barstow: It would be easier for us to say that from the 1st April Palestine is contributing to the Defence Force until she is in a position to bear the entire cost, when it could be split off from the Imperial Forces.

The question was asked whether politically this was as valuable as being able to say that the force was paid for out of Palestine revenues.

Sir George Barstow replied that politically there was nothing in it.

Mr. Deedes pointed out that the High Commissioner was very anxious that, as soon as possible, Palestine should bear the whole cost of the Defence Force and that he would be in a position to say that it cost the British tax-payer nothing.

The Colonial Office vote to be divided into three parts, purely military expenditure through the War Office, any civil grant-in-aid which may be necessary for capital expenditure, and the Local Force, quite a separate thing under the Colonial Office.

For purely military purposes it would be under the respective general officers commanding.

In Mesopotamia a note had been written by Mr. Crosland—copy attached—explaining what the exact procedure would be.

They would not be under the Army Act.

English officers would be seconded from the army to this force.

General Costello would be responsible to the High Commissioner from a purely administrative standpoint, enlistment, recruiting, &c. For the military employment of them he would be responsible to the general officer commanding.

Enlistment should be for short service with option of renewal for long service; the same for every class of men.

British officers in the senior ranks would gradually be replaced by Palestinian officers when they were ready to take their place.

What was likely to be the ultimate cost if Palestine took over the cost of upkeep? Very much less than the contribution they would have to make to the Imperial Force.

Of course there would always be a certain number of English troops kept in Palestine to form the nucleus of an army in case of need to defend it from its non-Arabian (?) neighbours.

In Mesopotamia it was proposed to reduce the garrison to four battalions; now it was two divisions.

During the interim period, while the change is being effected, the pay of the units officered by British officers to be met, as far as possible, out of local revenue.

The Colonial Office will pay for the whole cost of upkeep and we pay them our contribution.

Will this be assessed on the basis of a percentage of revenue?

Yes, in Mesopotamia.

Taking a percentage of revenue is rather difficult. Different countries have different ideas as to what constitutes public revenue. Trans-Jordania cannot be counted on to provide any revenue.

With regard to Trans-Jordania, the proposal now is that the force that is going to be raised there immediately—on the same lines as the Palestine Defence Force—will entirely obviate the necessity of sending troops there.

With regard to the administration of funds, where will they be administered from?

Is the Defence Force which is to take the place of the proposed Defence Force going to be under G.H.Q. as at present constituted?

On the lines that it has been discussed it should be considered as a unit just as the other regiments.

The grant which we are to receive from the Colonial Office to maintain this force here in Palestine as part of the garrison will be paid to the War Office.

Sir George Barstow: I don't think there can be direct dealing between the Colonial Office and G.H.Q. here.

How is G.H.Q., the Colonial Office and the War Office going to settle matters?

Major Young said the Colonial Office was going to have its own Finance Department and its own Military Department. The War Office have the entire spending of the money, but the proposal is that the finance officers in Mesopotamia and Palestine should advise not only on civil, but also on military expenditure.

Mr. Churchill says he cannot be responsible for sums spent in the East.

Parliament votes money to the Colonial Office, one of the items is Palestine Defence Force so much. The War Office will have nothing whatever to do with the matter.

A long discussion ensued as to the best method of dealing with the accounts of the Defence Force.

It was thought it would be possible to run the Defence Force in the same way as any other Government Department.

The question arose of the employment of existing army services, as it would be absurd to start separate machinery.

This point to be taken up with Mr. Crosland.

Everything in the country that has been paid for either by the British taxpayer or by (?) should be regarded as an Imperial matter, and anything that actually exists now should be regarded as our own.

What about roads and public works done by the army when they were in occupation? We have been told that they will ultimately have to be paid for. Interest paid on the actual expenditure. This arrangement stands for Mesopotamia. Value assessed and regarded as paid. Not necessary that they pay interest at once.

The question was raised as to whether General Costello would be put in funds by the Colonial Office. It was presumed that the Palestine military contribution of approximately 91,000*l.* would be placed to the credit of the G.O.C. here and in point of fact only the balance of the sum required be sent out from the Colonial Office.

There will be a separate budget for Colonial Office money, which will show a contribution in aid from the Palestine budget. The Palestine budget will only show so much from the revenue.

Sir George Barstow said that Mr. Bonar Law did not want any civil charge for Palestine to appear in the votes. Now that we have a vote for the whole area there ought to be no difficulty in coming to an arrangement here—as with the Mesopotamia people—as to what is a Palestinian expense and what is an Imperial one.

In Mesopotamia half of the expense of the High Commissioner and (? the full expense) of that part of his staff which could be regarded as filling purely Imperial functions would come out of the Colonial Office vote.

It ought to be as easy to arrange here as in Mesopotamia.

The work of dealing with the accounts in connection with the Defence Force to be dealt with by a defence Force Department; this will require a financial staff for the purpose of dealing with the Imperial budget. There should be military finance officials who would run all the administration of the finance of the Defence Force. This staff would be paid for out of the Colonial Office vote. But the other half of the staff which dealt with purely local affairs would appear on the Palestine budget. There is a certain obligation here which is an Imperial one and another which is purely local. The Imperial one will gradually disappear.

In Trans-Jordania there are a certain number of officers who are demobilised as from the 1st April. These political officers have been paid for up to date by the army, who is now to be responsible for their pay?

From the 1st April three accounts must be kept, a Colonial Office account, a Palestine account and a Trans-Jordania account. Colonial Office account can be divided in half, *i.e.*, assistance given to Palestine, namely, Defence Force, from which you get a certain amount back, the other (Trans-Jordania), from which you get nothing back.

It was pointed out that in the case of Mesopotamia and Kurdistan the same thing applies.

All administrative expenditure, the above-mentioned officers, &c., comes out of the Colonial Office vote (Trans-Jordania account).

It must be clearly understood that the Trans-Jordania account is subject to revision.

What has been advanced up to date to Trans-Jordania should be regarded as an Imperial loan, not as a Palestinian loan.

Mr. Smallwood pointed out that our cash balance was low and our commitments large, and asked whether the Colonial Office was going to put us in funds.

Major Young: There is a large sum voted on army votes and the only authority at the moment for making payments is from army votes, but when Mr. Churchill goes back it is proposed that he will lay before Parliament the Middle East vote. He will also have to provide for the special requirements which don't pass through the army—capital for railways, &c., and the army figures will then be revised.

Apart from the expense of our Political Officers on the other side it costs 9,000*l.* to run Trans-Jordania, which is considered essential expenditure from the point of view of public security. Is it understood that the Colonial Office will be responsible for this?

Major Young: The whole of the expenses in Trans-Jordania will be paid for by the Colonial Office.

When we get back to London our finance officer—who ought to have come out with us—will have to go into the whole qusetion, and will write a despatch or telegram laying down exactly what is wanted.

It was decided that from the 1st April to keep a separate account for Trans-Jordania, close the other account, and carry forward the debt up to date.

The pay of the Political Officers and any advance we may consider proper to make will be got back from the Colonial Office.

MEETING HELD AT GOVERNMENT HOUSE, THURSDAY, MARCH 31, 1921.

Present:

His Excellency the High Commissioner.
The Civil Secretary.
Sir George Barstow.
The Financial Secretary.
General Costello.
Mr. Richmond.
Major the Hon. F. R. Somerset.
Captain Peake.
Captain Kirkbride.
Captain A. F. Kirkbride.
Captain Monckton.

His Excellency: As you know, negotiations have been proceeding with the Emir Abdullah with a view to making arrangements in conformity both with British interests and those of the Sherifian family.

Trans-Jordania plays, of course, an important part in those arrangements, but the position in Trans-Jordania cannot be finally settled until the position in other Arab countries is determined. Meanwhile, it is obviously necessary to make a temporary working arrangement for Trans-Jordania, and it has been decided that the temporary arrangements agreed upon shall be given a trial for six months.

The arrangement is as follows:—

The Emir Abdullah will not receive any formal appointment, but he will be requested by the British Government to carry on the Government of Trans-Jordania under British superintendence and control. The ultimate arrangement which is contemplated in respect of Trans-Jordania is this, that the territory should be regarded as an Arab province of Palestine—part of the area under the British mandate for Palestine and under the general control of the High Commissioner for Palestine, but not administered by the same methods as has been the case during the last six or eight months.

Abdullah himself does not express any desire to remain in Trans-Jordania permanently, but it is agreed that he will remain there or thereabout during the next six months. After he leaves there will be appointed an Arab Governor for the whole of the district with subordinate Governors for the three sub-districts. This Governor would be appointed by myself, but his name would be previously agreed

upon by myself and the Emir Abdullah—it would be a joint control. There would be a British representative with Abdullah now and with his successor later, and there will be about the same number of British officers as now in various parts of the district.

With respect to troops: At first it was decided that there should be British troops sent over to Amman now, which was the view entertained by the Conference at Cairo, subsequently it has been decided to hold that in abeyance for two reasons, one that the military authorities are still uneasy as to the line of communication between here and Amman, and don't like placing a detached body of troops at the other side of the Jordan with such difficult lines of communication between them and their base supposing the line were cut. Abdullah also was not very keen about having British troops there just now.

We shall, however, garrison the country, as soon as they are ready, by a portion of the Palestine Defence Force. The military force in Trans-Jordania will be under the command of General Costello. Recruits will be raised from among such elements of the population as may be found most convenient—from Palestine or Trans-Jordania.

It may still be that British troops will go over and be stationed at Amman, but no decision to that effect has been reached at present.

There will also be a close touch kept with Trans-Jordania by the Air Force. Aerodromes are to be erected at once at Amman, Kerak and Irbid, and steps are going to be taken within the next few days for providing these air stations.

An air route is also to be surveyed from Amman across to Mesopotamia and stations are to be arranged where possible in between.

It is also arranged that there shall be a flight of aeroplanes over Trans-Jordania about once a fortnight regularly, and afterwards as may be required. This is to start right away.

Until the Defence Force can be provided we must continue with the existing Trans-Jordanian Reserve Force, but the Trans-Jordania Force is to be placed under the command of British officers and not merely under the inspection of British officers, and means will be found to finance it and provide such sums as are necessary for Trans-Jordania during the provisional period of six months. This money will be provided by the British Government and not from Palestine revenues, but disbursed by the High Commissioner either through Abdullah or through the officers commanding the Reserve Force, whichever is found most convenient. It is hoped that the revenues of the country, under a more stable state of affairs, will expand, but whatever money is needed will have to be supplied until the country is able to bring in taxes. Abdullah will do everything he can to maintain order and security. He has been given very definitely to understand that there must be no attacks on the French, and the whole arrangement is made on condition of this being observed; this he quite clearly understands, and if attacks on the French continue then the whole situation must be reconsidered and all subsidies would cease.

It is proposed that I should go over to visit Abdullah on the 12th April at Amman with a party of people and an escort of troops, that would come back afterwards and not remain there, when a statement would be made to the population as to the new situation.

Mr. Deedes: I understand that administratively the area will be run as one district either directly by Abdullah or, with some assistance, perhaps, through Mazhar Bey. It will be divided into three Kazas—Irbid, the Belka and Kerak.

The Colonial Office vote for Trans-Jordania should, it would appear, be divided into two parts: (1) (*a*) Civil in respect of the British representatives and their clerical staff, &c.; (*b*) in respect of any deficit in local revenue budget; and (2) in respect of the Defence Force under General Costello.

Abdullah should be told, however, that as far as possible local revenues should normally cover all expenses other than under (1) (*a*) and (2).

I think that they should maintain their own gendarmerie (as distinct from the Reserve Force).

Major Somerset said he did not place any faith in Abdullah, and that from conversations which he had had with Abdullah's leading followers (Achmed Mureiwid, Ali Khulki, Raschid Teleima) he understood that Abdullah was playing his own game and that his intention was to aim at the French at Damascus. These people left here with the idea of stirring up trouble at Amman against the French.

Major Camp said he had been given to understand the same thing. Abdullah's chief friends were prominent adherents of the Syrian Nationalist Party and they

had said they would never rest content so long as any French influence remained in Damascus.

Captain Peake asked why Abdullah was so averse to having British troops in Trans-Jordania. All his followers who had come over with him were aware of the conversations between himself and the Secretary of State, but did not think that they would influence the actions of the Emir.

His Excellency pointed out that the Emir Abdullah had been given clearly to understand that if there were attacks on the French from our zone, then all our arrangements for Sherifian subsidies and other matters in other parts of the world would all fall to the ground.

Major Somerset felt very strongly that British troops ought to be sent to Trans-Jordania.

His Excellency pointed out that the military authorities are still very unwilling to send troops, and as the present arrangements had been agreed upon by the Secretary of State and Abdullah, it was necessary to give them a trial and see how they worked.

Captain Peake asked whether the Reserve Force for Trans-Jordania was to be raised in that country or in Palestine.

His Excellency replied that the Reserve Force in Trans-Jordania would be a branch of General Costello's force; they will be trained as soldiers and properly disciplined, and perhaps be ready after six months. Whether they will be recruited here or there is not yet determined. Possibly the companies will be mixed—Palestinians and Trans-Jordanians—but they will be trained at Ludd.

General Costello was of opinion that it would be simplest to mix them.

His Excellency: It is not contemplated at present or in the near future to put any Jewish company over there. During the interim period they must carry on with the troops they have over there. The present Defence Force can be put into better order and paid more regularly. The question whether it was sufficiently large at present or should be increased could be settled during his visit to Amman.

Captain Peake asked whether officers who are now wanting jobs would be allowed to join the new Defence Force.

General Costello replied that he did not know what the permanent policy was going to be, but that if it is a part of Palestine they would be on the same footing as other Palestinian officers; if it is going to remain an outlying district, then those officers could come in on a temporary basis—a militia basis.

This will have to be considered in closer detail later on—whether Trans-Jordanian officers are to taken into the Palestinian force, and if so, on what terms.

Abdullah does not want to remain permanently in Trans-Jordania, but in the meantime, should there be anarchy in Trans-Jordania, he will be held responsible by the British Government.

Captain Kirkbride asked what the powers of the British officers in Trans-Jordania would be during the next six months and after.

His Excellency replied that it could not be foreseen, it depended on the régime established there; in the meantime, they will be advisers, with perhaps more authority.

Major Somerset pointed out that the Arab Government in Damascus had had excellent British advisers, but never in one single instance had the advice of the British representatives been taken.

His Excellency: We are responsible for Trans-Jordania as mandatories, and the Government is to be appointed by the authorities here on Abdullah's recommendation

The influence of the Air Force, while not a substitute for troops, will be considerable; they would not, however, take action except in serious necessity, and would not be used to assist in the collection of taxes.

Mr. Smallwood was not quite clear as to the money that will be needed for the Political Officers. In Jerash the gendarmerie had not been paid for months, and it was necessary they should get some money. Tafile was eight months in arrear, and in Kerak it was impossible to collect any further taxes. Abdullah had assured us that he would collect taxes. The question was, what sums are immediately needed, and where should they be spent.

Before coming to a decision *His Excellency* felt inclined to wait until he went to Amman in twelve days' time, and would discuss the matter with Abdullah.

He was very much averse to the principle of aiding those places where they would not pay taxes, for the people who did pay their taxes would argue what was the good of doing so, for if they did'nt they would receive what was necessary for the upkeep of the various services from the Government.

Mr. Richmond thought it would be as well to let Abdullah know what the position was in regard to tax collection in order that he might have some plan to talk to his Excellency on his arrival.

His Excellency thought the British representatives should go back and tell the people generally what the arrangement is, that we are working with Abdullah, and that they must pay their taxes and put the country on a better footing, and raise a force of trained men.

Major Somerset thought that the Trans-Jordanians would not care to go so far from home for training as Ludd.

General Costello said he had asked Colonel Lawrence where would be the best place for training them, and he had thought the men would like to go to Ludd for the change. In the first instance, there is no question but that Ludd is the best place for training.

His Excellency: I think that probably the best course would be for Captain Peake to go back and look after his force and get it up to strength and take some money with him, and for this force to go, if Abdullah agrees, to Jerash and Ajlun and collect arrears of taxes, which would then go to pay the officials and Gendarmerie.

Major Camp said that the local Defence Force was being used in the meantime in the Belka to collect taxes.

Captain Peake thought we needed a much stronger force with machine guns to enforce our authority.

Mr. Deedes: We don't know that Abdullah won't get in the taxes.

His Excellency said that we will give him such financial assistance as he needs to keep the Reserve Force together or to increase it if it is thought to be necessary. He might bring up some of his men from Ma'an and enlist them in the Reserve Force. He clearly understood that the Reserve Force was to be under British officers. You can take back a letter from here to get the force started on a practical footing with the assurance that additional funds will be forthcoming if necessary, that the subsidy will not be kept down to the same low level as before.

The question was raised as to who should pay the Reserve Force, to which his Excellency replied that the Reserve Force would be paid from here and the Gendarmerie and Government employees to be paid by the Local Government. In effect, Captain Peake pointed out, the Gendarmerie had been paid about five times as much by us as by the Local Government.

His Excellency was of the opinion that we had better let Abdullah try, through his influence and the influence of the Reserve Force already existing at Amman, to collect the taxes. Perhaps when it is known over there that Abdullah and the British are working together it may perhaps make a difference in the collection of taxes, at any rate we had better try and reserve our subventions to the Reserve Force.

Major Camp pointed out that improved communication between Salt and Amman was very necessary and a car was much needed, also for the postal service, which was at present held up for want of a car.

Air Vice-Marshal Salmond wants the Salt–Amman road to go forward at once. Money for this can come out of the Colonial Office vote at once.

Arrangements are being made with Wasboun to establish a regular mail service with Kerak. A motor-boat is to run regularly and carry mails and officers.

Further details to be discussed with Mr. Deedes.

MEETING HELD AT GOVERNMENT HOUSE, FRIDAY, APRIL 1, 1921.

Present:

His Excellency the High Commissioner.
The Civil Secretary.
Sir George Barstow.
General Costello.
The Financial Secretary.

His Excellency: We understand now that if the Defence Force costs about 200,000*l.* towards this we get a Colonial Office vote of 200,000*l.*, and that Palestine pays a grant-in-aid of, say, 100,000*l.* towards it.

What we don't understand is the manner in which this 200,000*l.* would be disbursed.

For example. General Costello to run his force, pay and general expenditure, needs money. Will the 200,000*l.* be given to this Government and we to treat General Costello as a Department of this Government, or will the 200,000*l.* be given to the War Office? or will it be given to G.H.Q.? We don't see how this money is going to be touched.

Sir George Barstow: What we don't know is whether you have the organisation here to run a Defence Force, or whether it would not be better to use G.H.Q. as far as possible for staff, &c., and pay them for services here.

It was pointed out that we got as much help as possible from G.H.Q. with regard to existing services, and they had promised to help us all they could.

Sir George Barstow: Mr. Churchill is very anxious to get rid of what he calls a top-heavy military organisation, and wants the force to be run as economically, and with as little machinery in the way of red tabs as possible; in fact to run the Defence Force more or less on the cheap.

The fact must not be lost sight of, however, that the day must come when the Defence Force, as it grows, will require to be self-sufficient.

His Excellency thought it might be as well to use the existing machinery and pay 20 per cent. overhead charges for everything that is consumed.

There had been a recent letter from Colonel Newman about this. He wanted a Conference with G.H.Q. to determine about purchases; whether there should be a Departmental charge right through.

The case was rather different when discussed in Cairo, as then it was expected that Palestine would have to raise the whole of the money.

Sir George Barstow: The Colonial Office is prepared to place General Costello in funds for the Defence Force. General Costello to be treated as a Department for dealing with the War Office, and it would be possible to make arrangements whereby Palestine provides the machinery.

General Costello: There would need to be some arrangement with the War Office by which they would provide hospital use, &c.

Sir George Barstow: I think that would have to be on repayment. The War Office would have to be paid for services rendered.

General Costello was asked how much staff he would require.

He pointed out that a D.A.Q.M.G. would be necessary. There would be a good deal of A work—hospitals, messes, amusements for the men, *moral*, &c. A Finance Officer and possibly an Ordnance Officer, and if he had Trans-Jordania as well he would probably need an Intelligence Officer.

Sir George Barstow: How much could you drop if you used the War Office organisation?

General Costello: I could drop the Ordnance officer and only have a share of the Finance officer.

He pointed out that a senior medical man on his staff would be necessary. In fact, very much the same organisation was required for a small force as would be for an army.

Sir George Barstow concurred in the last remark and said the only other alternative was to simply increase the garrison here by two battalions—one Jewish and one Palestinian. The original proposal had been that this Defence Force should be part of the garrison. The question as to whether it should be, from the present point of view, has not been settled.

A discussion ensued as to means of supply.

General Costello was advised to keep in touch with Colonel Solomon and see how he ran things, and if necessary all contracting could be done through him.

If there were two battalions here forming part of the garrison they could run their buying and feeding on the same lines as in India.

There was no need for a cumbersome staff and it was necessary to keep the headquarters staff to as low a figure as possible. For the first year at any rate it might be simpler to run the Defence Force as a department of this Government, and have whatever extra staff is necessary *pro tem.*

Mr. Smallwood remarked that he did not think such a scheme would be workable from General Costello's point of view.

His Excellency said he was rather horrified to learn the number of staff officers that would be required for such a small force, and asked General Costello to draw up a scheme of organisation with the minimum number of officers necessary.

It will be impossible to tell how much the force is going to cost until we know what scheme is favoured by the people—Long Service or Short Service.

For the first six months we will ask the Colonial Office to pay in at least 50.000*l.*, for that amount will certainly be needed. Directly the Colonial Office vote has been passed the Treasury will not make any objection to making the advance.

Sir George Barstow said that a formal despatch should be written about Local Defence Force proposals and sent home for approval.

Rates of Pay: There will be the same rate of pay for everyone. No colour distinction. General Costello said he had worked out a statement giving the rates in the British Army without income tax being deducted.

Sir George Barstow remarked that this would have to go home to the Colonial Office. Officers from the British army or Indian army would be seconded. The same thing applies in the Egyptian Army. They come in for two years which can be increased to 4, 7 and 10 years, and the agreement can be terminated by either side by three months notice. The only criticism is that it is too long People ought to be sent back to their regiment every five years. Major Young talked of a five years contract here.

His Excellency pointed out that in creating a new force instead of working out all details it would be better to take the Egyptian army as a working plan, and if there is no reason to the contrary adopt their methods. It would be much simpler to use an existing model except when there is reason for differing from it.

Mr. Deedes thought that instead of taking the Egyptian Army as a model it would be better to take the King's African Rifles which is a force of four battalions. They were in the ordinary grades of the Civil Administration and were subject to all the Civil Administration rules and regulations, and there was no trouble at all about British army rates of pay.

Trans-Jordania.

His Excellency: 1,400*l.* have been given to Captain Peake this morning and he proposed that this should be shown as Colonial Office vote—Trans-Jordania—(Military). It was not quite clear whether the ultimate intention was that the salaries of British representatives in Trans-Jordania should come out of their revenue when they have any, or out of the Colonial Office vote. It is not known if the Customs will more than cover the O.P.D., but the next charge against it should be for our officers. It was very difficult to get at any accurate figure for Customs Duty, but some figure must be arrived at, accurate or inaccurate, and his Excellency suggested that a Committee should be formed consisting of Mr. Smallwood and Mr. Harari or Mr. Barron, and the matter gone into. He would suggest that Mr. Harari be sent to Trans-Jordania for a few days to get some information.

Sir George Barstow asked what usually became of Trans-Jordania revenue. It was pointed out that the Treasuries were usually empty, and immediately any money came in it was at once paid out to officials and the gendarmerie, but no one had received any pay for weeks.

It was hoped that when order was restored that the revenues might increase; it is not a poor country, but the inhabitants have a strong dislike to paying taxes.

PALESTINE FINANCE.

NOTES OF A CONFERENCE HELD AT GOVERNMENT HOUSE, JERUSALEM, ON THURSDAY, MARCH 31, 1921, AT 10·15 A.M.

Present:

His Excellency the Rt. Hon. Sir Herbert Samuel, G B.E.
Sir George Barstow, K.C.B.
Mr. H. A. Smallwood.
Mr. C. D. Harvey.
General Costello.
Mr. E. Keith-Roach.
Mr. G. Myrddin-Evans.

Defence.

1. The discussion centred on the policy to be adopted as regards the creation of a defence force, and of Palestine's financial contribution towards the upkeep of this force. It was stated that what was at present contemplated was the creation of one force for Palestine which would also occupy Trans-Jordania, and could be moved about at will. Reference was also made to the suggestion that the whole of the forces in Egypt, Palestine and Trans-Jordania should be treated as one unit: in that case as the Defence Force in Trans-Jordania became more efficient the British Forces would gradually withdraw. The question of whether recruitment should be for long or short service was still under consideration pending the expression by the Moslem leaders of their views on the Defence Scheme. It was suggested that the Jews and the Arabs might be offered the choice—the Jews would probably choose short service, the Arabs long service—but that recruitment in Trans-Jordania should be for long service only.

As regards finance it was estimated that the cost of the long service scheme for Palestine only, excluding Trans-Jordania, would be 285,000*l.* for a force of 2,400 men for the first year, and 245,000*l.* in subsequent years (the short service scheme would cost about 36,000*l* less per annum) This estimate was framed on a war basis and on British army rates of pay, but it was felt that the local forces could not reasonably expect to be paid for service locally at the same rates as British soldiers serving so far from home.

The High Commissioner expressed concern at the high estimate and stated that either the cost must be considerably reduced or Palestine would not be able to maintain so large a force as had been anticipated. On the other hand he expected that Palestine would be much richer a few year hence than it was at present, and they could in the meantime draw for defence purposes upon the surplus balances accruing from the revenues assigned to the Ottoman Public Debt

Mr. Smallwood referred to a suggestion that had been made by Major Young that the whole of the cost of Palestine defence should appear on the Colonial Office vote, and the contribution of Palestine to that defence as an appropriation in aid of the vote, and stated that if this was done there would be no need to draw upon the Surplus Balances for defence purposes.

Sir George Barstow suggested that as the revenues of Palestine increased the contribution of the country towards defence should increase also, until it covered the whole defence provision with the exception of such portion of the cost of the Defence Force as could fairly be attributed to Trans-Jordania. He emphasised his view of the importance of the principle that defence is one of the primary obligations of Palestine, the whole of whose revenues should be available for meeting defence charges, and that there should be allocated thereto not the surplus of increased revenue over expenditure, but the greater part of the total increase in revenue. Admitting the backwardness of the country and the necessity for the development of social schemes, upon which the High Commissioner had laid stress in his despatch of February, it had to be remembered that the British taxpayer was also feeling the weight of almost unbearable taxation, and had had to accept the postponement of many ameliorative schemes, and was unlikely to view with favour the continued provision of large sums for the defence of Palestine if the latter country devoted its increased revenues to other schemes. He suggested that one-half of any future increase in revenue should be allocated to defence until the Palestine

Budget completely provided for the cost of the Defence Force, except such part of it as should be fairly attributable to Trans-Jordania.

The High Commissioner while agreeing generally with Sir George Barstow's remarks referred to the undesirable effect on the minds of the population of a decision to allocate all increased revenues to defence purposes. Further, once the proposed loan was floated the interest and sinking fund charges thereon would constitute a first charge on Palestine revenues. He was willing, however, to accept Sir George Barstow's suggestion, if instead of increased revenue there were substituted the net increase in revenue after provision had been made for loan charges.

Sir George Barstow pointed out that even if there were no increase in revenue the loan charges would have to be met—in that case by cutting down other services. For political reasons he thought it should appear as soon as possible that Palestine was paying for its own defence He agreed, however, to draft a formula on the lines he had suggested and submit it to the High Commissioner, taking into account Palestine's present contribution of 100,000*l.*, and on the general assumption that the Palestine Defence Force as a whole would be borne on the Colonial Office vote and would cost about 250,000*l.*, the proportion of the cost properly attributable to Palestine and Trans-Jordania being determined.

Ottoman Public Debt Balances.

2. The balance in the hands of the Palestine Administration accruing from the Ottoman Public Debt revenues amounts to about 450,000*l.*, which it is proposed to spend on defence, on capital works. In the meantime, however, pending the raising of a loan, there are certain works of a public character which are urgently needed (*vide* the High Commissioner's despatch of the 4th February, paragraph 24), and authority was sought to draw on the Ottoman Public Debt balances to finance these works, making repayment out of the proceeds of the proposed loan.

The High Commissioner mentioned that the Secretary of State for the Colonies desired that the scheme for improving agricultural stock should be proceeded with immediately in view of the effect it was likely to have on the minds of the agricultural community.

In the course of the discussion it appeared that 302,000*l.* of the balances had already been drawn in order to finance certain railways and post office works, leaving only about 150,000*l* available. The cost of the most urgent of the works with which it was now desired to proceed amounted to about 250,000*l*, while it was estimated that 137,000*l.* would probably be spent by October 1921, if the loan were not raised by that time.

Sir George Barstow pointed out that the remaining balances would cover only a proportion of the works still regarded as necessary. He agreed, however, to the most urgent of these being proceeded with, at the same time indicating the narrowness of the margin available, and emphasising the danger of overspending these balances, a situation which would necessitate borrowing from the bank.

Palestine Loan.

3. *The High Commissioner* pointed out that it would not be possible to raise a loan on the market until the Mandate had been approved by the League of Nations. He stated that he had received an offer from Mr. Rothschild to float the loan without charge. The terms of issue suggested (viz., a 6 per cent. loan issued at 75 and repayable at par by annual drawings), were, he thought, unacceptable, and in his view it should be possible to obtain the money on much more favourable terms. He disliked also the method of redeeming the Bonds by annual drawings; but he was rather attracted by a provision he had seen in connection with a municipal loan, that should the holder die before the loan was redeemed his estate should have the option of claiming repayment at par.

Sir George Barstow suggested that it might be advisable not to go to the market at present. Money was now very tight, but in a few years' time it might be cheaper, and better terms obtained, or it might be more advantageous to float two smaller loans rather than one big loan. If the money were obtained, and it was not possible to proceed at once with the Development Schemes, the Palestine Government would have to find the difference between the interest on the loan and the interest on the money left on deposit. Further, it was possible to attempt development too quickly,

and if the money were available there was always the temptation to spend it. As regards the question of floating the loan, he suggested that it might be desirable to consult the Crown Agents as to the terms on which they would do this.

The High Commissioner said that he had received advice that it would probably be more successful to float one big loan rather than two smaller ones; by undertaking a publicity campaign and appealing to Jewish sentiment throughout the world, there would probably be no difficulty in raising the money. There was, he thought, little danger either of the money lying idle when obtained, or of its being spent on works of secondary importance; in the first place, there was an immense amount of labour waiting to come into the country once work was available, and, in the second place, the necessary urgent works of first importance were in themselves more than sufficient to employ the proceeds of the loan. He thought the loan should be issued as soon as possible for political reasons; the development works contemplated would benefit Jew and Arab alike, and would tend to obviate any chance of trouble. He asked that it should be stated in the loan prospectus that it was issued with the approval of His Majesty's Government.

Sir George Barstow undertook to consult the authorities at home as to whether there was any objection to this course, and also to enquire if the loan could be made a trustee security.

Trans-Jordania Customs Receipts.

4. It was felt that a certain proportion of the Customs receipts would properly belong to Trans-Jordania. Against this would be set the proportion of the Ottoman Public Debt annuity payable by that territory, as well as the cost of the political officers employed there.

Palestine Estimates 1921–1922.

5. *Sir George Barstow* said that he had no criticism of a general nature on the estimates for 1921–1922. It was true that there was a deficit but this was just covered by the surplus of 75,000*l.* in 1920–1921, and he understood that the Departmental Estimates had been reduced by 300,000*l.* in order to arrive at the estimates which had been submitted. In view of the very narrow margin which the estimates showed he thought it was necessary to be very careful as regards entering into commitments which might increase in future years and so prevent the budget from balancing. It was possible, however, that the Ottoman Public Debt annuity would not amount to as much as 200,000*l.*, and they might not have to pay the additional sum to the Tobacco Régie.

With regard to particular questions, Sir George stated that it seemed to him that the administrative staff was very large considering the population of the country, and there was a considerable danger of discontent if the country were over-administered. In particular, the medical staff appeared to him large. He referred also to the number of motor-cars in use by officers, which must involve a very considerable charge, and which he would like to see largely reduced.

One other point had been raised, viz., whether any part of the salary of the High Commissioner and his staff should fall upon the British exchequer. That, he thought, was a question that could only be settled after consultation with Ministers at home.

The High Commissioner agreed that the administrative staff was large, but pointed out that the employment of British officials was necessary owing to the failure to obtain efficient Palestinians. As regards the size of the medical staff, he explained that the country people paid very heavy tithes, and an 11 per cent *ad valorem* customs duty, for which they obtained very little tangible benefits, except schools and hospitals. The cost of running motor-cars did constitute a very heavy charge on the revenues, but there was no other means of getting about quickly and conveniently. It should, however, be possible to cut down the number of cars, and he was having that looked into. Of the new Departments that were set up, Land Settlement and the Cadastral Survey should pay for themselves in fees; while the cost of the Department of Antiquities only amounted to from 4,000*l.* *to* 5,000*l* which he thought was a small sum in view of the international obligations of Palestine to preserve the objects of interest which the country contained. He agreed that the question of the charge for the salary of the High Commissioner and his staff should remain over, leaving the full provision in the Palestine Estimates for the present.

Salaries, Staff, &c.

6. A short discussion took place on the question of the salaries and grading of the administrative staff.

Two schemes had been put forward, one by the High Commissioner, which contemplated grading the staff in six grades, the other by the Foreign Office, under which the staff would be divided into five grades. The Home authorities had given instructions for the revised gradings, as proposed by the Foreign Office, to come into operation immediately, a suggestion which had given rise to a sense of grievance on the part of the staff. Although there was little money in it, and some members received increases under the scheme, it had the effect in certain cases of placing an officer on the maximum of his grade without any immediate prospect of an increase or promotion. In addition, under this scheme, the heads of Departments would be receiving the same salaries as their principal assistants, a result which the High Commissioner strongly deprecated.

Sir George Barstow explained that he had agreed to the postponement of the new scheme for three months, during which period the Home Administration would reconsider the matter in the light of the conclusions reached by the Committee which had sat at Cairo to consider the question of the conditions of service of officers employed in countries under the Middle Eastern Department of the Colonial Office. Certain appointments had, he understood, been made on the new scale, *i.e.*, Foreign Office gradings, and in these cases too there should be no change for three months, while he suggested that any new officers employed before the scheme was definitely settled should be employed on monthly salaries only.

The High Commissioner pointed out that it was not the intention to employ any more new officers. He wished to place on record his view that the Committee which had sat at Cairo, and of which he had been a member, had never contemplated the application of its recommendations to Palestine officials. The report of the Committee should in fact have expressly excluded Palestine from the scope of its recommendations. It was clearly understood at Cairo that the Palestine service was to form part of the Colonial Service, but that there should be special recruitment in view of the special qualifications necessary for service in that country. Many of the senior officials in the Palestine service had received definite promises of permanent employment, and he could not now contemplate offering these officers five-year contracts.

Subject to this he agreed with Sir George Barstow's proposal.

Kantara–Rafa Railway.

7. A short discussion took place on this subject.

The High Commissioner expressed the view that the line was essential to Palestine from the economic as well as from the military point of view; both on account of the flow of commerce and in view of the possible development of tourist and pilgrim traffic. The line was of interest to Egypt too, as with proper travelling facilities the two countries together would constitute one of the greatest attractions to travellers from America and Europe. The Egyptian Government, however, were reluctant to run the line at a loss, or to have Palestine run it on Egyptian soil; while the Suez Canal Directors in their refusal to consider the possibility of a bridge over the Canal had been purely obstructive.

Sir George Barstow stated that he was taking up the matter with the Egyptian Government, and if possible, with the Suez Canal Directors also.

LETTER FROM SIR GEORGE BARSTOW TO SIR HERBERT SAMUEL.

Dear Sir Herbert Samuel, *Jerusalem, April* 1, 1921.

I understand that I am authorised and expected by the Treasury to settle the Palestine Estimates for 1921–22 while in this country, and I propose accordingly to do so, placing on record at the same time my observations on the financial situation in Palestine.

The Revenue and Expenditure figures for the period expiring the 31st March, 1921, are expected to result in a surplus of 75,000*l.*

The Estimates for 1921–22, as submitted to the Treasury, show the following figures :—

	£
Revenue, including railway receipts, 770,000*l.* ...	2,214,047
Expenditure, including railway expenditure, 745,579*l.*	2,286.133
Deficit	72,086

The proposals before the Treasury accordingly will result if realised in a reduction of the expected balance to 3,000*l.*

I recognise that this result has only been reached by a severe pruning of the estimates put forward by the several Departments of the Government, and that the pressure to expand existing, and to initiate new activities of the Government, must, in the present state of development of the country, be extremely great, in order to develop new sources of wealth (and therefore of revenue), and by this means to give to the inhabitants of Palestine some tangible proofs of the benefits of the new régime.

At the same time, the situation is not without disquieting features. Palestine will be trenching on a somewhat exiguous surplus in 1921–22 practically to the point of exhausting it; and unless revenue expands or expenditure falls, next year will result in a deficit.

Nor is this all.

(*a.*) The Budget figures make no provision for Public Works extraordinary, and it is intended to provide for these by a loan to be raised if possible in the course of the year. Interest and sinking fund charges will make a substantial addition to next year's charges, and although part of the loan expenditure may prove immediately remunerative. the greater part cannot bring in a return for some years.

(*b.*) Palestine has assumed the obligation to provide for her own defence, and it is intended to implement this obligation by a Palestine Defence Force. I gather that it is intended that this force shall also provide for security in Trans-Jordania, and in so far as it does so, will not be a charge on Palestinian revenues proper. But for the year 1921–22 it seems too much to hope that the proposed allocation of 100,000*l.* from revenue will cover the cost even of that portion of the force which provides for Palestine itself, and the whole charge of the British garrison remains for the present on the British taxpayer.

(*c.*) No provision has been made in the estimates for the repayment of the value of the capital assets created in Palestine by expenditure from the Vote of Credit or Army Funds. The claim of the British taxpayer in respect of such transferred assets cannot be foregone, but as you are aware, the Treasury have indicated their willingness to defer the payment of instalments until a later date, when the finances of Palestine admit of repayment. It is desirable to settle the total amount of this debt at an early date.

These considerations all point to the necessity of exercising the utmost caution as regards entering upon new commitments. If savings on the estimated expenditure arise, or if revenue surpasses expectations, the savings should not be diverted to new objects of expenditure, but should be utilised to strengthen balances. Excesses on votes must be strenuously resisted, and all possible economies effected. It might be desirable to raise new taxes, if new sources of revenue can be found and put into operation without undue political difficulty. I am aware of the difficulty of direct taxation on the model of the Income Tax in eastern countries, but other taxation, such as Death Duties, may prove possible.

I recognise, however, that the estimates for the year represent a creditable effort on the part of the Administration, in the face of great difficulties, to reach a solvent position, and subject to the foregoing observations and to certain adjustments, which recent developments may prove necessary, I am prepared to recommend the approval of the estimates as submitted.

I will only add comments on the following points :—

Numbers of Staff.

I have of course not had an opportunity of going into the numbers of staff of the Departments in any detail, but for the administration of a country containing some 600,000 inhabitants, the number seems at first sight large. Comparisons made

with the numbers employed in other protectorates appear to support this view. Such comparisons are, of course, apt to be misleading, and the difficulties of carrying on a trilingual administration and those incidental to the present period of reconstruction in Palestine are possibly unique. I understand, however, that it is your own view that the number of British officials has now reached its maximum and may be expected to fall. Experience in the Civil Service at home shows how extremely difficult it is to effect drastic reductions of staff as work diminishes. The existence of a superfluous number of officials tends to clog the wheels of administration, and to add a heavy burden—increasing as salaries rise on an incremental scale—to the country's finances. It is therefore to the general interest and not least to that of officials who may find themselves declared redundant after a short time, to keep down staffs to the lowest degree compatible with efficiency, and to provide any special additions required on a temporary footing.

Motor Cars.

The number of motor cars employed on official service strikes me as large. Here, again, special conditions, not applicable in other administrations, may no doubt obtain : but considerable economies can be effected by a careful supervision of the use of cars. In the Home Civil Service, the placing of all cars available for public use in the charge of a single Department resulted first in a large reduction of user, and secondly in the complete abolition of the common pool of cars in London, and while other means of transport are readily available in London, I would suggest that economies may be practicable in this direction. I was glad to receive an assurance that the question was being actively pursued here, and that arrangements are in contemplation to make a charge for the private use of Government cars.

Palestine Defence Force.

The procedure now proposed is, I understand, that the cost of the force shall not appear on the Palestine budget, but in lieu a contribution to defence expenditure of 100,000*l.* shall be made to the Colonial Office to meet part of the cost of the force. I am prepared to agree that in the circumstances of this year 100,000*l.* would be as much as can be paid from revenue, but further questions, such as what provision should be made from revenue in subsequent years, and the arrangements for payment in respect of stores received from the War Office, must stand over until they can be considered by the authorities at home. The balance in excess of 100,000*l.* of the cost of the force debitable to Palestine will, I understand, be met from the surplus balances in your hands arising from O.P.D.A. will be paid over to the Colonial Office.

PALESTINE.

O.P.D.A. Balances.

Application to Capital Works.

Of the 450,000*l.* balance from O.P.D.A. 302,000*l.* has already been spent.

The available balance is therefore under 150,000*l.*; and of this 35,000*l.* may be required for Defence Force equipment.

The following works are already sanctioned by his Excellency as a provisional charge against the balance in anticipation of a loan.

	£
Jerusalem water supply	40,000
Rolling stock—	
Sleepers, payable June	50,000
Engines (negotiations advanced)	72,000
Roads	20,000
Cadastral survey	50,000
	232,000

If the loan is not obtained before six months the following sums would probably be expended before the 1st October, 1921.

	£
Jerusalem water supply	40,000
Railway—	
Sleepers	50,000
Engines	7,000
Roads	20,000
Cadastral survey	20,000
	137,000

Evidently it will require the most careful management to ensure that the available balances are not exhausted by the capital expenditure provisionally being met from them.

Having regard to the assurances given by the High Commissioner that the greatest care will be taken to confine capital expenditure within the limit of the balances available, I am prepared, on behalf of His Majesty's Treasury, to agree that the proposals in paragraph 25 of the High Commissioner's despatch of the 4th February last may be carried out, subject to the condition that as soon as loan moneys become available the whole of the advances will be repaid, and that the allocation of the whole of the accumulated O.P.D.A. revenues to defence remains unaltered.

Appendix 22.—Holy Places Commission.

MEETING HELD AT GOVERNMENT HOUSE, JERUSALEM.

TUESDAY, MARCH 29, 1921.

Present:

Sir Herbert Samuel.
Mr. Deedes.
Mr. Storrs.
Mr. Richmond.
Major Young.

The Committee had before them a note prepared by Mr. Forbes-Adam, copy of which is attached.

Sir Herbert Samuel said that there were three main points to be considered: Firstly, who should be the chairman? Secondly, what should be the composition of the Commission and should the Administration be represented upon it or not? Thirdly, how were the members to be paid?

With regard to the chairmanship, he said that Mr. Sokolov had recently informed him that he had been approached in Paris by the French Government, who were very anxious that the chairman of the Commission should be a Frenchman. (This would obviously mean that he would be a Catholic.) They had hinted that in return for this they would be prepared to make certain concessions with regard to the northern frontiers of Palestine.

The Committee agreed that it would be undesirable for any religious interest to be represented as such in the person of the chairman. They considered that if the Council of the League of Nations were to be approached at all about the chairmanship this should be done by Great Britain in her capacity as mandatory Power. They were of opinion that the post would be most suitably filled by an Englishman of judicial experience, and, so far as possible, world-wide reputation.

Turning to the question of the composition of the Commission, Sir Herbert Samuel put forward the suggestion that instead of a small body, as recommended by the Palestine Committee, which sat under the chairmanship of Sir John Tilley in the Foreign Office, it might be preferable for the Commission to be a much larger body on which all interests could be represented. It might include as many as twenty-four members.

He was strongly of opinion that the Administration of Palestine should be represented. The position would be quite impossible if the Holy Places Commission were to arrive at conclusions which gravely affected political conditions in Palestine without the Administration having an opportunity of expressing its views.

The arguments for and against a larger Commission were carefully considered by the Committee, who came to the conclusion that, provided the members were not local people and were chosen as much on account of their impartiality as of their religious views, the best composition under a British chairman, as suggested above, would be two Christians (one Catholic and one Orthodox), two Moslems (both Sunni) and two Jews (one Zionist and one Orthodox), sectarian views being laid before the Commission by panels specially selected by the respective communities, but forming no part of the Commission. They considered that the best way to meet the point that the Administration should be represented on the Commission would be by the appointment of a secretary, who would act in a dual capacity as member of the Commission and representative of the Administration. They strongly recommended the selection of Father Waggett for this post.

With regard to payment, there appeared to be three alternatives:—

(*a.*) Payment by the League of Nations.
(*b.*) Payment by His Majesty's Government.
(*c.*) Payment from Palestine revenues.

They considered that these alternatives should be tried in the order named, the third alternative being, in their opinion, most undesirable, since the functions which the Commission would perform could not fairly be described as in the interests of the taxpayer of Palestine.

They recommended that the Colonial Office should approach the Foreign Office as soon as possible, inviting concurrence in the views of the Committee and asking that they might be furnished with a list of the individuals whom it was proposed to appoint in order that the High Commissioner for Palestine might have an opportunity of expressing his views before any invitation was actually issued to them.

NOTE BY MR. FORBES-ADAM ON THE COMMISSION FOR THE HOLY PLACES AND RELIGIOUS QUESTIONS IN PALESTINE.

1. The Palestine Committee, assisted by Father Waggett, C.F., who advised the Military Administration on religious questions in Palestine during 1919 and early in 1920, discussed at their meetings on the 26th October and the 17th December the whole question of the appointment and functions of the Holy Places Commission. Annexed to this paper will be found the relevant portion of article 95 of the Treaty of Sèvres and articles 13 and 14 of the Palestine mandate dealing with the question of this Commission.

Recommendations of Palestine Committee.

2. The recommendations of the Committee may be summarised as follows:—

(a.) *Chairman.*

Although the appointment of the chairman of the Commission is a matter for the Council of the League of Nations, it would be advisable for His Majesty's Government as mandatory to put forward either semi-officially or privately to the Secretary-General of the League the person whom they would recommend as chairman. He should be chosen for his judicial qualifications. Father Waggett has suggested Sir S. Hoare in this connection. Lord Parmoor and Lord Phillimore or some ex-Lord Chancellor have also been mentioned.

(b.) *Membership of the Commission and Panels.*

The Commission should consist of six members, to be nominated by the mandatory, and the best combination would be three Christians, two Mahommedans and one Jew. Two of the Christians would be chosen to represent the Roman Catholic and Orthodox Christians, and the third might be chosen from among the smaller sects in rotation, being in the first instance an Armenian. The Administration of Palestine should not be represented as such on the Commission. In addition to the Commission, a group of panels should be formed locally, each panel representing a

religious interest or interests, and its numbers being fixed by the main Commission. These panels would act in an advisory capacity and be called as occasion arose to assist the main Commission in dealing with any question peculiarly the concern of the sect represented by that panel. The right to come to the Commission as claimants or witnesses would not be limited by the institution of panels.

(c.) *Possible Members of the Commission.*

Father Waggett put forward the names of the Archimandrite Timotheos Themeles as a suitable representative of the Orthodox Church, Dom Chapman, O.S.B., Bishop Couturier, O.P., Père Abel, O.P., Père la Grange (possibly, however, *persona ingrata* to the Vatican) and Cardinal Canisei (an Italian) as suitable representatives of the Roman Catholic Church, and Boghos Nubar Pasha as a suitable representative of the Armenians. It was suggested that the two Moslem representatives might represent the Sunni and Shiah sects respectively, or Palestine and extra-Palestine Moslems respectively, and that the Emir Feisal might advise as to the best method of selecting them. It was also suggested that the Grand Rabbi should be approached regarding a suitable Jewish representative.

(d.) *Method of Selection.*

Steps should be taken to sound some of the persons recommended as to their willingness to accept membership of the Commission, though definite offers could not be made to them until the conditions of remuneration for their services and the source whence such remuneration should come have been settled.

(e.) *Expenses of Commission.*

As soon as the Council of the League has approved the mandate, His Majesty's representative on the Council should be instructed to suggest to the Council that in view of the international importance of the Commission and its objects the travelling expenses and a maintenance allowance for the members of the main Commission should be paid by the League. It was realised at the same time by the Committee that there was properly no obligation on the League to pay, except, perhaps, in the case of the chairman.

Secretaryship of the Commission.

3. On Sir John Tilley's suggestion, Father Waggett has also been approached with regard to accepting the post of secretary. He has since stated that he thinks that he could be of most service if he actually had a seat on the Commission and acted as secretary. The Governor of Jerusalem, Mr. Storrs, who has been consulted, strongly supports this suggestion of Father Waggett's. He says that owing to his peculiar local knowledge and his tact, Father Waggett would be of enormous service to the Commission and most acceptable to the representatives of the local religious communities (both large and small). He is liked also by the foreign representatives at Jerusalem and has many friends among both the Moslems and the Jews. He could be appointed as a seventh member (apart from the chairman) and acting secretary.

Pay.

4. The question of pay seems to raise a big difficulty. If the League of Nations will pay the whole of the expenses, well and good, but it seems most unlikely that Japan and other members of the League, who are not really interested in the question of the Holy Places, will be prepared to share. Moreover, the League may well argue that apart from the chairman the mandatory has undertaken to establish the Commission and appoint the members and should therefore pay. There can be no question of asking the interested Governments to pay because the appointments are to be expressly representative of religious, not political interests. It also seems difficult to ask the Churches, &c., to pay, because we want to keep the appointments in the mandatory's hands, and they will probably refuse to pay unless they appoint. On the other hand, it would be unfair on the Palestine Administration to make the Commission a charge on the exiguous Palestine funds. Interests outside Palestine are really concerned and the Administration itself has nothing to do with the Commission, only the mandatory. In the circumstances, if the League refuses to pay the only way out seems to be for the mandatory to pay the actual travelling expenses of the members of the Commission and to make it clear to each Commissioner that

he must make his own arrangements with his local community at Jerusalem to maintain him while the Commission is sitting. Mr. Storrs thinks the kind of people whom Father Waggett has suggested for membership would gladly serve on such terms and the local communities would probably assist. Money for the expenses of a small and permanent secretariat for the Commission would still have to be provided, perhaps half by the Administration and half by the Imperial Government as mandatory, or, more fairly, altogether by the latter. The charge should not be a large one.

5. Presumably, in view of the impending transfer to the Colonial Office, we should take no action on the above recommendations and suggestions. The Colonial Office will be responsible, as the Department in charge of the mandatory control, for the Commission and its members, and we should not tie their hands in advance in any way. The above proposals may, however, be of value to them.

(Initialled) E. G. F. ADAM.

January 19.

ANNEX.

Article 95 *of the Treaty of Sèvres, paragraph* 2.

The mandatory undertakes to appoint as soon as possible a special Commission to study and regulate all questions and claims relating to the different religious communities. In the composition of this Commission the religious interests concerned will be taken into account. The chairman of the Commission will be appointed by the Council of the League of Nations.

Articles 13 *and* 14 *of the Mandate for Palestine.*

13. All responsibility in connection with the Holy Places and religious buildings or sites in Palestine, including that of preserving existing rights, of securing free access to the Holy Places, religious buildings and sites and the free exercise of worship, while ensuring the requirements of public order and decorum, is assumed by the mandatory, who will be responsible solely to the League of Nations in all matters connected therewith; provided that nothing in this article shall prevent the mandatory from entering into such arrangement as he may deem reasonable with the Administration for the purpose of carrying the provisions of this article into effect; and provided also that nothing in this mandate shall be construed as conferring upon the mandatory authority to interfere with the fabric or the management of purely Moslem sacred shrines, the immunities of which are guaranteed.

14. In accordance with article 95 of the Treaty of Peace with Turkey, the mandatory undertakes to appoint as soon as possible a special Commission to study and regulate all questions and claims relating to the different religious communities. In the composition of this Commission the religious interests concerned will be taken into account. The chairman of the Commission will be appointed by the Council of the League of Nations. It will be the duty of this Commission to ensure that certain Holy Places, religious buildings or sites regarded with special veneration by the adherents of one particular religion, are entrusted to the permanent control of suitable bodies representing the adherents of the religion concerned. The selection of the Holy Places, religious buildings or sites so to be entrusted shall be made by the Commission subject to the approval of the mandatory.

In all cases dealt with under this article, however, the right and duty of the mandatory to maintain order and decorum in the place concerned shall not be affected and the buildings and sites will be subject to the provisions of such laws relating to public monuments as may be enacted in Palestine with the approval of the mandatory.

The rights of control conferred under this article will be guaranteed by the League of Nations.

Appendix 23.—Deputations.

Official Reports of—

(1.) Deputation of Executive Committee of the Haifa Congress.

(2.) Deputation of Representatives of the Jewish Community.

With Replies by Mr. Churchill, his speech at the Hebrew University site, and a minute by Sir Herbert Samuel on the memorandum of the Haifa Congress Committee.

OFFICIAL REPORT.

DEPUTATION OF EXECUTIVE COMMITTEE OF THE HAIFA CONGRESS RECEIVED BY THE SECRETARY OF STATE FOR THE COLONIES AT GOVERNMENT HOUSE, MONDAY, MARCH 28, 1921.

PRESIDENT of the Haifa Congress, Musa Kazim Pasha, presented the following memorandum :—

When Palestine emerged from the Great War she found herself tied down and her adversary, sword in hand, bending over her. She found herself, too, separated from her surrounding Arab sisters by vast distances which she had covered by running after an imaginary friend. But she found no friend, she found an enemy, rather.

This is the story of Palestine, land of miracles and the supernatural, and the cradle of religions. She neither complained nor was unfaithful to her first friend, but when sorrow filled her breast she breathed a sigh and dropped a tear, and, lo, the Third Arab Palestine Congress was born. This congress, therefore, is a true representative of Palestine, her mouthpiece. In it all classes are legally represented Town, village, factory and farm—in fact, all the live aspects of the nation—acknowledged its leadership.

But the enemy of Palestine, ever on the watch, has willed to distort the truth, and to paint Palestine to the Government other than she really is by questioning the representative status of the members of the congress. To such an extent were these intrigues carried that Sir Herbert Samuel became suspicious and would not recognise the congress. It was then that the whole nation rose as one man and from Dan to Beersheba cried out backing the congress, and calling upon the Government to recognise it as their true and legal representative. Unfortunately these peaceful demonstrations were powerless to convince the High Commissioner of the good faith of the people of Palestine, so he persisted in ignoring their congress, knowing full well that this was their one hope and their true spokesman; whilst, on the other hand, he recognised Zionist Congresses, congratulated them, encouraged them and wished them good luck.

The friendship of the Arab for the Englishman is too obvious to require proof. While still a member of the Ottoman Empire, the Arabs' leaning towards England brought down on them the wrath of the Turk, who, as soon as the Great War started, used this as an excuse for venging himself on the Arabs, who were tortured, persecuted, exiled and killed. This was not all. The Arab suffered on account of his love for England. When the opportunity presented itself to their leader, King Hussein, he rose in revolt against the Turk, and joined Britain and her Allies, heedless of the fact that in so doing he was combatting an Islamic Power to whom he was bound by many strong and permanent ties. The tears and the blood of the Arab flowed with the tears and the blood of the Allies. More than this, all Arabs, Moslems and Christians alike were called upon to join this war. And so it came to pass that Arabs who were out of the reach of the Turk proclaimed open war against him, and started a secret propaganda amongst those within his Empire. Thousands of Arabs deserted from the Turkish ranks in consequence. To prove this we will quote here the report sent to German headquarters by General Leman von Sanders He wrote: " I have come to Palestine and Syria and found everything against us The country has been poisoned, and its inhabitants have turned their backs on us.

We are living amongst enemies, consequently all our efforts are in vain. We are between two foes—the inhabitants of the country and the enemy we are fighting."

The moment demoralisation crept into the Turkish army Palestinians began openly to point out to the invading troops the weaknesses of the Turks, thus making the conquest of the country an easier task than it would have been had the population been hostile. All this was done in good faith, and without any heed to consequences. The Arabs trusted that such fidelity would be remembered by Great Britain, who had given such binding oaths to their leader, King Hussein.

The Arab did not dislike the Turk because he was Turk, neither did he love the Englishman because he was British; he hated the one because he desired complete independence, and he loved the other hoping and believing that the Englishman would help him to attain this goal. But the Arab was ambitious, he wanted all and lost all. Palestine, one of our most sacred lands, has been isolated for a thought-out purpose, and this has been the reward of the Allies to the Arabs for their fidelity and the blood they sacrificed; nay, this is their reward for having risen in revolt against their Islamic Ruler. This, too, is their punishment for having thrown themselves so confidingly into the arms of Great Britain and her Allies—a punishment not visited even on Germany, their greatest foe.

Finding their country thus torn up, the Arabs lost faith in Britain. Their wise men, however, assured them that England was too far-sighted to allow anything to come between her and the Arabs. Further, they believed that right, although vanquished for a time, must win in the end.

Confident in the justice of their cause, the Arabs are convinced that this unnatural partitioning of their lands must one day disappear. It would be a grand task for England—the traditional friend of the Arab—to accomplish this reunion, and thereby gain the Arabs. For the Arabs are the key to the East, and they possess its doors and passes. Arabia, on the Red Sea and the Persian Gulf, is the way to India, and Palestine, on the Mediterranean, holds to-day the balance between the Powers.

Fleets and armies cannot conquer the heart of a nation. England could have conquered the Arabs' hearts by safeguarding their country's integrity. Then all these huge millions required for the upkeep of her large armies would be saved to her and her taxpayer.

The relation of Turk to Arab should teach England a lesson. Submitting to the Turk from necessity, the moment the Great War started the Arab seized his opportunity and threw off the yoke. To-day the Arab's belief in England is not what it was. This is to be deplored, for the Arab is noble and large-hearted; he is also vengeful, and never forgets an ill-deed. If England does not take up the cause of the Arabs, other Powers will. From India, Mesopotamia, the Hedjaz and Palestine the cry goes up to England now. If she does not listen, then perhaps Russia will take up their call some day, or perhaps even Germany. For though to-day Russia's voice is not heard in the councils of the nations, yet the time must come when it will assert itself.

In the interests of universal peace, therefore, if not for love of the Arab, England should refrain from taking this false step. Zionists can never be true to her, as they can be true to no one, and to this their mischievous work in Austria, Germany and Russia can testify. They have one and only aim in life, from which nothing can divert them.

In spite of repeated warnings of the Turks to the Arabs not to throw themselves too confidingly into the arms of Great Britain, which, under the financial stress of the war, had sold their country to Zionists, the Arabs still clung to their traditional friend, believing that these warnings were inspired by nothing other than jealousy and a desire to sow seeds of strife. And when, before the conquest of Syria, the information that a compact between Great Britain and Zionists was rumoured, they refused to believe it. Then, when peace was declared, the Arabs saw with their eyes and heard with their ears that Syria and Palestine were to be separated preparatory to the carrying out of the Balfour Declaration, they realised that after all the Turks were right. They also then understood that this was done to enable Zionists to gradually become the majority in Palestine through immigration.

Had Zionists come to Palestine simply as visitors, or had matters remained as before the war, there would be no question of Jew or non-Jew. It is the idea of transforming Palestine into a home for the Jews that Arabs resent and fight against. The fact that a Jew is a Jew has never prejudiced the Arab against him. Before the war Jews enjoyed all the privileges and rights of citizenship. The question is

not a religious one. For we see that Christian and Moslem alike, whose religions are not similar, unite in their hatred of Zionists.

What greatly surprises Arabs, however, is the fact that of all the Powers of Europe, England should have been the one to make this promise to the Jews, which also leads one to suspect her disinterestedness in the matter. To the Jew the National Home idea did not appeal much at first, it was England who created it, put life into it, and carried it into execution even before the ratification of the mandate by the League of Nations. According to the present rate of immigration Jews will in a few years compose a large proportion of the population, and consequently claim a larger share in the Government of the country.

England, moreover, disregarding the feelings of the inhabitants, has appointed a Jew as High Commissioner. With every respect to the person of Sir Herbert Samuel, we cannot close our eyes to the fact that the predominating majority of the people he governs are not of his own race or faith. It would have been a wiser policy to have appointed an Arab to this high post. In Syria, France, acting more in sympathy with the inhabitants, appoints natives to fill exalted positions, and reserves to herself the right of council and advice.

Again, to the most important post of justice in Palestine, namely that of Legal Secretary, or Minister of Justice, a Jew has been appointed. And what is worse, this official is an out and out Zionist. In a book he recently wrote he strongly advocates the quiet persecution of the Arab in order to force him finally to quit the country.

We will now proceed to dissect the Balfour Declaration, and to show how to the Arab, the Palestinian and the Britisher it is strongly prejudicial.

(a.) *From a Legal Point of View.*

1. Before drawing a contract with Zionists for the sale of Palestine, England had drawn a contract with King Hussein by virtue of which he was to be given Arab lands. Consequently the contract with King Hussein annuls that with the Jews. In the eye of the Jew the first is valid and the second is not. Shall it go down to history then, that England was false to her plighted word through Mr. Balfour, and was it not for the sake of a plighted word to the Belgians that she unsheathed her sword in the Great War?

2. King Hussein paid a price for his contract by rising against the Turks. This was his part of the contract. England's contract with the Jews, therefore, can have no legal value as long as King Hussein is ignorant of it. So far, then, as the Arabs are concerned the Balfour Declaration is not valid.

Besides, there were understandings with France and Russia before this declaration was made; consequently, though France was influenced to include it in the mandate, international law cannot give it a legal status.

3. Countries with their civic and other rights and privileges are the property of their inhabitants and constitute an heirloom of the nation, handed down from father to son. Now the people of Palestine inherited this country from their ancestors, as these did from those who had gone before them. Palestine, therefore, with its air, water, lands and roads, commerce, industry and agriculture, is in inalienable possession of the nation, and neither England nor any other Power can bring a foreigner in to share this inheritance. But Palestinians are gradually losing their birthright through Jewish immigration, and thanks to Mr. Balfour's Declaration, which was denounced in the press, from the pulpit and before the American Commission.

But it might be argued that Mr. Balfour spoke on behalf of the British Cabinet of which he is a member. But even this does not give his declaration any legal validity, since Great Britain, though occupying the country, does not possess it. Putting aside for one moment Mr. Wilson's Fourteen Points and the repeated assertions of the Allies that they were not out in this war for colonisation or self-aggrandisement, we find in international law that a conquering people can lay hands only on the personal possessions of the defeated Power and on its rights and privileges, but that it has no right to touch anything that belongs to private persons.

In the light of international law, then, Mr. Balfour's declaration is an act of modern Bolshevism, pure and simple.

4. One of the great laws governing international treaties is that the two parties should possess the quality of government. A treaty between a governing Power and an individual cannot have international force.

Now the contract between Great Britain and Zionists over Palestine is one between a Great Power and a company of men who are neither a Power nor a nation. In fact, it is a contract between England and a collection of history, imagination and ideals existing only in the brains of Zionists who are a company, a commission but not a nation. Is it right or just, then, that a treaty concluded with King Hussein should be made null and void by one made with Zionists?

For thousands of years Jews have been scattered over the earth, and have become nationals of the various nations amongst whom they settled. They have no separate political or lingual existence. In Germany they are Germans, in France Frenchmen, and in England Englishmen. Religion and language are their only tie. But Hebrew is a dead language and might be discarded. How then could England conclude a treaty with a religion and register it in the League of Nations? Nay, rather, how could the Jews themselves agree to this treaty? For if there exists a Jewish Power and a Jewish nation, what is the status, amongst others, of those high Jewish officials who are serving England to-day? Are they Jewish nationals or English nationals, for it is obvious they cannot be both at the same time?

Sir Herbert Samuel and Lord Reading are Englishmen and Jews. Now if Jew-ism is a nationality what about their English-ism? One -ism must be sacrificed for the other, but which for which?

Besides, this promise was made long before British troops came into possession of Palestine, and since this victory was an Allied one, France, Italy and the Arabs having taken active parts in it, the consent of all should be secured before any gift is made. But the Arabs have not been consulted, and never will consent, and Russia, when it wakes up, will have a word to say.

5. There can be no question that Palestine belongs legally to the Arabs. They inherited it from their ancestors and have been occupying it for more than twenty centuries. The Jews saw, knew and accepted this fact. Now, had they any right to own Palestine they would have contested our occupation of it long ago, or at least, lodged a protest against us. But they did nothing of the kind, knowing full well they had nothing to claim.

Moreover, in the days of the Turks, the Jews, the great majority of whom were nationals of European Governments and consequently protected by the Capitulations, could have used their privileges and the weakness of the Turkish Government to extort at least some official recognition of their claim to Palestine. In fact, some European Powers would have abetted and encouraged them in their demands. But no claim was made, and native Palestinians remained undisturbed in the possession of their country.

After all this can anyone doubt that Palestine belongs to the Arabs, and that the Balfour Declaration is a gross injustice.

(b.) *Historical Point of View.*

Zionists and Great Britain appeal to history in confirmation of their claim. Because at one period of history the Jews conquered this land and lived in it, hence, it is argued, they possess it for ever.

The argument contains more of poetry in it than logic. According to it the Arabs should claim Spain since once upon a time they conquered it and there developed a high civilisation. Why then should Palestine be given back to the Jews and Spain remain in the hands of Spaniards? The Turks too, at one time conquered all the Balkan States right up to Vienna, why does Europe then keep these back from them?

Even while in possession of Palestine for about 4,000 years the Jews' right to it was always contested by their neighbours. Wars, revolts, religious and political agitations and internal troubles filled the whole period; and it was only during the reign of King Soloman that peace prevailed. But the Arabs' reign in Palestine was undisturbed for a long time until the Crusaders arrived, and then they bought the country again, for the second time, after having once bought it from the Romans, by shedding rivers of blood. Besides, they were always at peace with their neighbours —an achievement which the Israelites cannot claim.

It might be argued, too, that the Jews' claim to Palestine rests on the monuments and buildings which their ancestors built and left behind them. As a matter of fact, no nation in history has left less behind it than the Jews; and those temples and monuments established by them in their golden age disappeared before the nation was scattered.

But if ancient monuments establish a claim, what about Arab and Turkish monuments in Europe to-day; and does not every ruin in Palestine bespeak Arab origin.

It is surprising to think that students of ancient Jewish history interest themselves in the religion and kingly glory of this people and neglect that other part of it dealing with revolts, mutinies, internal troubles, and those wars with their neighbours which finally led to their expulsion from the land. Have statesmen ever found out the reason why the Israelites could not get on with their neighbours, or why they were so detested by all surrounding tribes? We believe that such a study would reveal points that may prove very helpful to modern diplomacy and statecraft.

Arabs, on the other hand, have lived here for centuries at peace with all their neighbours, and even the very long reign of the Turks was not able to change the character of the land or to Turkify its inhabitants.

(c) *Moral Point of View.*

Jews have been amongst the most active advocates of destruction in many lands, especially where their influential positions have enabled them to do more harm. It is well known that the disintegration of Russia was wholly or in great part brought about by the Jews, and a large proportion of the defeat of Germany and Austria must also be put at their door. When the star of the Central Powers was in the ascendant Jews flattered them, but the moment the scale turned in favour of the Allies Jews withdrew their support from Germany, opened their coffers to the Allies, and received in return that most uncommon promise.

We have seen a book entitled "The Jewish Peril" which should be read by everyone who still doubts the pernicious motives of the Jews towards the Powers that be and towards civilisation. It is a collection of the minutes of a secret society of prominent Jews who meet from time to time to discuss world affairs in relation to Judaism. The book is replete with an overflowing hatred of mankind, and Christendom in particular. It points out in detail ways and means for upsetting the present order of things, so that out of the ensuing chaos Jews might come out masters of the world.

Looking into the ranks of socialism, we find Jewish names such as Carl Marx, Becknin and Trotsky topping the list, besides a host of others as pernicious, if not as renowned.

The Jew, moreover, is clannish and unneighbourly, and cannot mix with those who live about him. He will enjoy the privileges and benefits of a country, but will give nothing in return. The Jew is a Jew all the world over. He amasses the wealth of a country and then leads its people, whom he has already impoverished, where he chooses. He encourages wars when self-interest dictates, and thus uses the armies of the nations to do his bidding.

Palestine suffers in this manner from her Jewish colonies. Wherever these exist the surrounding peasant population has had to sell out and migrate. Because of their clannishness Jews will, as far as they can help it, not employ a native, or buy at his store or benefit him in any way; on the contrary, they will watch every opportunity to harm him if this can be done with impunity.

In commerce and finance they are pitiless foes. Since Palestine opened its doors to them its trade has gradually drifted into their hands. They depreciate the value of land and property, and at the same time manipulate a financial crisis in order that landlords, under the stress of need, should sell out at ruinous prices.

Can Europe then expect the Arab to live and work with such a neighbour? Had not England better find a country for them in the vast uninhabited regions of her great Empire?

If Russia and Poland, with their spacious countries, were unable to tolerate them, how could Europe expect Palestine to welcome them? Can the Arabs carry the burden which Europe is unable to support; or will the Jew, on coming to Palestine, change his skin and lose all those qualities which have hitherto made him an object of dislike to the nations?

(d.) *Economic Point of View.*

1. But there are economic difficulties in Mr. Balfour's declaration which render it valueless in our view.

Under Turkish rule the whole Empire was one big field for the trade of the Palestinian. From Constantinople to Mesopotamia and from the Red Sea to the

Indian Ocean there was one system of customs, passports and coinage. To-day all this has changed. Goods sent to Damascus or Beyrout are charged double customs, merchants going north or east must have passports, which entail delays, expense and worry. All this is bad for business.

Now the Palestinian merchant is comparatively poor, while Zionists have wealth; consequently, they will be able soon to compete with him, crush and drive him out of the market. This done, they will turn on the consumer and force him to accept their prices. To say trade is free does not help matters. In Europe Governments endeavour by laws and taxation to protect their trade; why does not the Government here do likewise?

2. Palestine is an agricultural country, and depends largely on her export of cereals for a living. Now Jewish immigration has raised the cost of living, and the Government, in order to keep prices down in the interest of the Jewish consumer, has prohibited the export of certain cereals, with the result that the granaries of the land are stocked with products, and merchants cannot find an outlet for their trade. Consequently, a financial crisis set in and hundreds of merchants were bankrupt. Now, if this is the policy of Zionists while they still form a small minority, what will it be when they become more numerous?

Again, Palestine was ruined by the war, and is in dire need of money. The Jews started their campaign of advancing money on land and property. This can have one and only one conclusion; Jews will finally buy up these mortgaged lands, oust the owners, and rule in their places.

3. Again, in order to bring Palestine up to the level of European countries, the Government, in spite of the poverty of the people, has started a series of innovations and improvements which, though useful, are not so keenly needed at the present moment. It has opened up new unnecessary roads, repaired old ones which fully served their purposes, widened some railway lines, and created new gardens. The poor taxpayer has been burdened with costs. On the other hand, needs of more vital importance, such as public education, have been grudged their due budgets. Recognising the benefits of these improvements, we would like our Treasury not to exceed its financial capacity, but to go slow, putting what is vital and essential before that which is a comparative luxury.

The above-mentioned works, too, are undertaken more in order to give employment to the thousands of Jewish immigrants than because they are immediate necessities. The Jewish labourer on these works is paid double the amount given to the native, though he does less work.

Ever since the High Commissioner took the reins of office he has been considering the floating of a loan for public works, or, in other words, he wants to borrow money in the name of the native taxpayer in order to help out Jewish immigrants. Is it not enough that the highest posts with fat salaries are given to the Jews, while the native official, who is more conversant with local needs, is relegated to a third-class position, with a salary too little for his needs and out of all proportion with his work?

(e.) *Expense to the British Government.*

Thanks to the back-sliding efforts of Zionists, the Government has come to consider natives as enemies with whom she should always be on her guard. Consequently, a huge army is maintained in order to keep them quiet. Seven millions a year have been quoted as a moderate estimate for this army. Who is to pay? Certainly not the Palestine Treasury, as its whole income does not come up to one-third of this amount. Is it to be accumulated as a debt on the country to be paid when better days set in? We do not think the British Government would ever do such a thing. But if England pays what would her taxpayer say? If Zionists rent this amount the interest on the money would be enormous. The British taxpayer would hardly be expected to pay willingly seven millions a year for something which is valueless to him.

Yes, the British army in Palestine is of immense value to the Jews, and it is to their interest and safety that it is kept.

(f.) *Political Effects.*

We would call the attention of Great Britain to the following three points:—

1. Zionists are ambitious. If to-day they accept the mandate of England they may not do so to-morrow. Their one aim is to establish a Jewish kingdom, bring

back the glory of Israel in the "Land of Promise," and gradually control the world. This ideal is expressed by their leader, Mr. Herzel, and by other Jewish writers. Already they complain that England has given them less than she promised. Here is their first word of ingratitude. They propose that a Jewish army be created to take the place of British troops. In this we have a foretaste of what is to come, for, once they are strong enough, they will turn their backs on England as they did on Germany and Russia.

2. If England goes out of Egypt, how would she like to see the keeping of the eastern side of the Suez Canal in the hands of a Jewish State.

3. Egypt, India, Mesopotamia, Arabia, and Palestine, all these countries are a chain in the East; what takes place in the one finds an echo in them all, since not only have they similar customs and habits, but also the same religion. Now, as soon as this National Home is realised, there will migrate into Palestine the undesirables of Russia and Poland—men and women imbued with Bolshevism, poor and uneducated. As soon as Zionists cease to aid these they will revolt against them, against the Government and against society.

Economic troubles in which natives of Palestine were invited to take part have actually occurred many a time already, and it was only through the assistance of the Government that they were not allowed to spread. Now, if such things can happen to-day, when the number of immigrants is small, how will it be when they number hundreds of thousands, and who can guarantee that during some future trouble the natives, who are poor and ignorant, will again refuse to join.

Once Bolshevism spreads in Palestine it will quickly extend to other Arab peoples, who are free and democratic by nature, and who possess little more than their swords and emotions.

Will England, who should be the greatest foe of Bolshevism, be pleased to see it grow in Palestine and from it spread into Arab lands?

Observations on the Mandate.

When the Great War was over the Allies, in conformity with Mr. Wilson's Fourteen Articles, recognised the principle of self-determination for smaller nations. An American Commission was sent out to the East to learn the wish of the people. All declared in favour of independence and national government. But statesmen saw differently, and, in spite of the Fourteen Articles, created the novel principle of mandate. The nation, however, has not departed from its original purpose, and protests most strongly against the terms of the mandate as they appeared in the "Jewish Chronicle." Though we reserve to ourselves the right of claiming the carrying out of our demands as expressed to the American Commission, we will here discuss certain essential aspects of this mandate.

1. The mandate is based on article 22 of the League of Nations, which gives certain rights to smaller peoples, who are divided into three classes according to their progress in civilisation and their capacity for self-government. Nations of the first class can be self-governing, the Mandatory Power rendering only counsel and help; while mandates of the second class give the Mandatory Power the right to share in the international administration of the nation.

Palestinians do not know to what class they belong. England has kept us out of the first class entirely, though she does not say so in plain terms. The words of the mandate do not mention the article of the League from which this Mandatory Power is derived. Plainness here would have been more to the purpose.

It can be shown, however, from the very terms of the mandate that we belong to the third class. And here are the proofs:—

In article 1 we read that the Mandatory Power has the right to exercise the power inherent in the Government of a sovereign State. We would ask what power? and how is the exercise of this power compatible with self-government?

Again, in article 2 it is stated that the Mandatory Power shall have full powers to provide for public ownership or control of any of the natural resources of the country. Are these powers, again we ask, in keeping with self-government granted to nations of the first category? We have gone carefully through the mandate, but can find in it no hope. There is some encouragement for self-government, but how to harmonise this with what is actually taking place is the problem.

Further, we find that the mandate refers to what is congenial to it in the League of Nations, and leaves out entirely what is favourable to the Arabs. But the article allows much to depend on the wish of the nation. Has Great Britain learnt our wishes? She knows them, but refuses to carry them through. We have made these wishes known to the American Commission and to Great Britain through various protests and congresses. Has the Government or the League of Nations removed this condition from the article, or it is valid for all countries excepting Palestine?

Lord Curzon declared that the people of Palestine would certainly object to the principle of a National Home and all that this involves.

Besides, the failure of the Government to declare the nature of this mandate must give birth to endless troubles in the future with the League of Nations. Palestine should be treated like Syria and Mesopotamia, at least, for she is not below them in her capacity for self-government.

France, by the mouth of M. Poincaré and others, has made plain her position in Syria. She is to give counsel and advice. Is England to be less liberal than France and usurp powers in Palestine which her great ally has so generously left in the hands of the natives of Syria.

2. Again, we do not see where the Jews come in in the mandate, and where the Government derives her right of handing over to them Crown lands which are not her own. Nor can we see why the Zionist Commission should be appointed as the Government's advisory body on all economic questions and public works. These Crown lands are the property of the nation, and belong to the tenants who from time immemorial have lived on them and cultivated them. The Government, therefore, cannot give them over to the Jews.

Further, by what right did the Government appoint the Zionist Commission to share with it the execution of public works to the exclusion of all other bodies?

3. The mandate is replete with the assurance that our civil and religious rights would be strictly observed. This is quite superfluous, as no Government on earth, however low its ideals, dare interfere with religious tenets of a people. Consequently, the assurance grants nothing new. The Turks, who are an Islamic Power, never interfered in the religious exercises of other communities; nay, more, they went to a great deal of trouble and expense to safeguard the due exercise of these religions, and demanded no recognition of gratitude from them, believing this to be her bounden duty as a Government.

As to our civic rights, these two mean nothing more than that equality and justice will be given us before the law. Obviously no privilege is contained in this. On the other hand, the Jews have been granted a true advantage, namely, that of becoming our rulers. We are to have equal rights of justice with them before the law, but they are to have in addition to this the preference in politics and in economic life of the country, of which the mandate has seen fit to deprive us.

4. Then, again, the country is called upon to share in the upkeep of a large army, for which there is not the slightest need, since all the neighbouring States are Arab and friendly, except to safeguard the principles of a National Home, and to burden the country with a load of debt, under which it can never aspire to independence in the future.

The whole country awaited the coming of the English with boundless joy, but as soon as these arrrived and their policy began to unfold itself disappointment reigned everywhere.

Under the Turks we governed ourselves through our representative Parliament, and the only Turkish official in our midst was the Wali or Mutesarrif, who had his advisory native-elected council to help him. In the majority of cases even these officials were from amongst ourselves. In the courts, too, all the judges and members of the bench were natives, and each one of us could work up to the highest legal position. There were schools for each branch of civic activity, whose graduates were employed in their several specific departments. Governors understood the language of the people they governed, taxation was low. We had the right to criticise the Government in the press, at public meetings and from pulpits.

Now all this has changed. We have no voice or say in the government of the country, no representative Parliament. The legal secretary, with a few under him, are the source of our laws and legal system, in spite of the fact that the treaty with Turkey has not yet been signed and the mandate not ratified. The highest posts are given to foreigners. The Legal Secretary and the Director of Commerce are Jews. Fabulous salaries are allowed to officials incompetent to do the work, while competent natives are granted a mere pittance. Unnecessary posts are created to give employ-

ment to officials, while others, vital to the running of the country, are suspended. The native press is tied down to a narrow circle, and for the most innocent expressions of opinion fines are imposed, often followed by imprisonment, while Zionists carry out their daily campaigns against the natives with impunity. Travelling in the country and out of it has been so hemmed in with difficulties and expense, and the export trade has been so regulated, that men prefer to stop where they are and accumulate their stocks of cereals rather than submit to unreasonable worries.

For all the above reasons, we ask in the name of justice and right that—

First: The principle of a National Home for the Jews be abolished.

Second: A National Government be created, which shall be responsible to a Parliament elected by the Palestinian people who existed in Palestine before the war.

Third: A stop be put to Jewish immigration until such a time as a National Government is formed.

Fourth: Laws and regulations before the war be still carried out and all others framed after the British occupation be annulled, and no new laws be created until a National Government comes into being.

Fifth: Palestine should not be separated from her sister States.

For the Executive Committee
of the Arab Palestine Congress:
(Signed) MOUSA KAZEM EL-HUSSAINI, *President.*

REPLY BY MR. CHURCHILL.

LET me make it clear in the first place why it is I am receiving you here. I came out to Cairo to hold a conference mainly about Mesopotamia, and my friend Sir Herbert Samuel invited me, as I was so close, to come on up and pay him a visit in Palestine, so as to be able to see something of the country and to discuss with him some of its problems on the spot. You must not suppose that my coming here in any way supersedes him. He is the responsible representative of the Crown in Palestine, and any direction which I may give in the name of His Majesty's Government I shall send by despatches from London in the usual way after full consideration with my other advisors at home. But as I was here in the country some of you asked to come to see me, and at the request of the High Commissioner I have done so as a matter of courtesy and of goodwill and not in any sense as a formal conference.

Now I think it always best to be as plain as possible in everything that is said, so that there cannot possibly be any misunderstanding. In the very able paper which you have read, there are a great many statements of fact which we do not think are true, and I think everyone of you knows in his heart that it must be taken as a partisan statement and one side of the case rather than as a calm judicial summing up of what is best for us all to do in the difficult circumstances in which we find ourselves. But still, as you have said all that you feel you ought to say, you will, I am sure, wish me to reply with equal candour. The great thing is to know exactly where we are.

You have asked me in the first place to repudiate the Balfour Declaration and to veto immigration of Jews into Palestine. It is not in my power to do so, nor, if it were in my power, would it be my wish. The British Government have passed their word, by the mouth of Mr. Balfour, that they will view with favour the establishment of a National Home for Jews in Palestine, and that inevitably involves the immigration of Jews into the country. This declaration of Mr. Balfour and of the British Government has been ratified by the Allied Powers who have been victorious in the Great War; and it was a declaration made while the war was still in progress, while victory and defeat hung in the balance. It must therefore be regarded as one of the facts definitely established by the triumphant conclusion of the Great War. It is upon this basis that the mandate has been undertaken by Great Britain, it is upon this basis that the mandate will be discharged; I have no doubt that it is on this basis that the mandate will be accepted by the Council of the League of Nations, which is to meet again shortly.

Moreover, it is manifestly right that the Jews, who are scattered all over the world, should have a national centre and a National Home where some of them may be reunited. And where else could that be but in this land of Palestine, with which for more than 3,000 years they have been intimately and profoundly associated? We think it will be good for the world, good for the Jews and good for the British Empire. But we also think it will be good for the Arabs who dwell in Palestine, and we intend that it shall be good for them, and that they shall not be sufferers or supplanted in the country in which they dwell or denied their share in all that makes for its progress and prosperity. And here I would draw your attention to the second part of the Balfour Declaration, which solemnly and explicitly promises to the inhabitants of Palestine the fullest protection of their civil and political rights. I was sorry to hear in the paper which you have just read that you do not regard that promise as of value. It seems to be a vital matter for you and one to which you should hold most firmly and for the exact fulfilment of which you should claim. If the one promise stands, so does the other; and we shall be judged as we faithfully fulfil both.

After all, the British Government has a view of its own in this matter, and we have right to such a view. Our position in this country is based upon the events of the war, ratified, as they have been, by the treaties signed by the victorious Powers. I thought, when listening to your statements, that it seemed that the Arabs of Palestine had overthrown the Turkish Government. That is the reverse of the true facts. It has been the armies of Britain which have liberated these regions. You had only to look on your road here this afternoon to see the graveyard of over 2,000 British soldiers, and there are many other graveyards, some even larger, that are scattered about in this land. The position of Great Britain in Palestine is one of trust, but it is also one of right. For the discharge of that trust and for the high purposes we have in view, supreme sacrifices were made by all these soldiers of the British Empire, who gave up their lives and their blood. Therefore I beg you to realise that we shall strive to be loyal to the promises we have made both to the Arab and to the Jewish people, and that we shall fail neither in the one nor in the other.

I would also draw your attention to the very careful and exact nature of the words which were used by Mr. Balfour. He spoke of "the establishment in Palestine of *a* National Home for the Jews." He did not say he would make Palestine *the* National Home for the Jews. There is a difference between the two which is of great importance. The fact that Palestine shall contain a National Home for the Jews does not mean that it will cease to be the National Home of other people, or that a Jewish Government will be set up to dominate the Arab people. On the contrary, the British Government is well disposed towards the Arabs in Palestine, and, indeed, cherish a strong friendship and desire for co-operation with the Arab race as a whole. That is what you would expect from the British Empire, which is the greatest of all the Moslem States in the world, and which must never cease to study the needs and wishes of its Moslem subjects and allies; and surely you have found that—at any rate I have been assured on this point by many Moslems since my arrival here—in the daily contact with the officers of this Administration in Palestine; that they make no distinction as between Arab and Jew, and that they endeavour in every way to render impartial, even-handed justice.

We regard this matter of such importance that we moved His Majesty the King to appoint Sir Herbert Samuel as High Commissioner. He has held very high office in our own country, and he has many years experience in our Parliamentary and Cabinet life. Therefore in selecting him we knew we had a trained and experienced man who would understand what ought to be done and what the full meaning and purpose of British policy was. Moreover, he is himself a Jew, and therefore we knew that in holding the balance even and securing fair treatment for all he could not be reproached for being hostile to his own people, and he would be believed by them when he said that he was only doing what was just and fair; and I think this appointment has been vindicated and justified not only by what has been done but by its results.

I do not think you have any need to feel alarmed or troubled in your minds about the future. The British Government have promised that what is called the Zionist movement shall have a fair chance in this country, and the British Government will do what is necessary to secure that fair chance. But after all it is only upon its merits that Zionism can succeed. We cannot tolerate the expropriation of one set of people by another or the violent trampling down of one set of national ideals for the sake of erecting another. If a National Home for the Jews is to be

established in Palestine, as we hope to see it established, it can only be by a process which at every stage wins its way on its merits and carries with it increasing benefits and prosperity and happiness to the people of the country as a whole. And why should this not be so? Why should this not be possible? You can see with your own eyes in many parts of this country the work which has already been done by Jewish colonies; how sandy wastes have been reclaimed and thriving farms and orangeries planted in their stead. It is quite true that they have been helped by money from outside, whereas your people have not had a similar advantage, but surely these funds of money largely coming from outside and being devoted to the increase of the general prosperity of Palestine is one of the very reasons which should lead you to take a wise and tolerant view of the Zionist movement. The paper which you have just read painted a golden picture of the delightful state of affairs in Palestine under the Turkish rule. Every man did everything he pleased; taxation was light; justice was prompt and impartial; trade, commerce, education, the arts all florished. It was a wonderful picture. But it had no relation whatever to the truth, for otherwise why did the Arab race rebel against this heavenly condition? Obviously the picture has been overdrawn. And what is the truth?

This country has been very much neglected in the past and starved and even mutilated by Turkish misgovernment There is no reason why Palestine should not support a larger number of people than it does at present, and all of those in a higher condition of prosperity.

But you will say to me, are we to be led by the hopes of material gain into letting ourselves be dispossessed in our own house by enormous numbers of strangers brought together across the seas from all over the world? My answer is; no, that will not be, that will never be. Jewish immigration into Palestine can only come as it makes a place for itself by legitimate and honourable means; as it provides the means by which it is to be supported. The task before the Zionists is one of extraordinary difficulty. The present form of government will continue for many years, and step by step we shall develop representative institutions leading up to full self-government. All of us here to-day will have passed away from the earth and also our children and our children's children before it is fully achieved. The Jews will need the help of the Arabs at every stage, and I think you would be wise to give them your help and your aid and encourage them in their difficulties. They may fail. If they are not guided by wisdom and goodwill, if they do not tread the path of justice and tolerance and neighbourliness, if the class of men who come in are not worthy of the Jewish race, then they will fail and there will be an end of the experiment. But on the other hand, if they succeed, and in proportion as they do succeed year by year, such success can only be accompanied by a general diffusion of wealth and well-being among all the dwellers in Palestine and by an advance in the social, scientific and cultural life of the people as a whole.

These are the words which I speak to you with great belief in their truth. I am sure if you take my advice you will not find in the future any difference in the life you have led in the past, or in the part you have played in your country, except an improvement. There will be more food, there will be more freedom, there will be more people, there will be more health among the people, there will be more knowledge, the fruits of toil will be more securely enjoyed, and the harvests will be more fully reaped by those who have sown them. Above all there will be a complete respect for everyone's religious faith. Although the Arabs are in a large majority in Palestine and although the British Empire has accepted the mandate for Palestine, yet in a certain wider sense Palestine belongs to all the world. This city of Jerusalem itself is almost equally sacred to Moslem, Christian and Jew—not only those who dwell in this land, but those of these three religions who all over the world look to what is the holy centre of their faith. The Arabs of Palestine have therefore a great trust which we look to them to discharge and to help us (the British Government) in discharging, and just as in the spiritual sphere the profession of one faith does not mean the exclusion of another, so in the material world there is room for all. If instead of sharing miseries through quarrels you will share blessings through co-operations, a bright and tranquil future lies before your country. The earth is a generous mother. She will produce in plentiful abundance for all her children if they will but cultivate her soil in justice and in peace.

His Excellency the High Commissioner then stated:—

If I thought that the fears expressed in the memorandum submitted by the deputation were well-founded I should regard the situation as very serious. But I am absolutely convinced in my heart and conscience that these fears are unfounded, and that events will prove that that is so, and when you are convinced by your own experience and by facts that these fears are unfounded, I believe that my policy of promoting good-will among the three sections of the community will yet prevail.

OFFICIAL REPORT.

DEPUTATION OF REPRESENTATIVES OF THE JEWISH COMMUNITY RECEIVED BY THE SECRETARY OF STATE FOR THE COLONIES, ON MONDAY, MARCH 28, 1921.

The deputation presented the following memorandum:—

The Jewish National Council of Palestine, a body representative of the Jews of this country and elected by the Jewish National Assembly convened on the basis of general elections of the whole of the Palestine adult Jewish population, desire to express to you the deep feeling of gratitude of the Jewish population of Palestine towards the British Government, which was the first to declare its readiness to assist in the rebuilding of the Jewish National Home in Palestine.

The Jewish people has during the long years of its exile from its land always kept alive the love of the country of its glorious past. The belief that one day the people would return to its ancient land has kept it alive under the most trying circumstances in all parts of the world, and Great Britain's promise to assist in rebuilding the National Home of Israel has filled every Jewish heart with gratitude.

The Jewish people are under a further obligation of gratitude to Great Britain for accepting the mandate for Palestine, and the mission of re-establishing the Jewish National Home here in pursuance of the decision of the League of Nations. We trust that the realisation of this decision will be made possible by giving Palestine its historical frontiers and by adjusting them to the needs of its full and independent economic development, which is based on the water-power and the granaries of North and East.

The Palestine Jews, and with them the Jewish people in all countries, recognise in the appointment of the Right Hon. Sir Herbert Samuel, a brother Jew, as the High Commissioner to our historical country, the first practical step towards the realisation of the declaration of the British Government given through Mr. Balfour on the 2nd November, 1917, and towards the fulfilment of the decision of the Allied Powers at San Remo on the 24th April, 1920.

Sir Herbert Samuel, during the eight months he has been fulfilling the responsible task of governing Palestine, has shown not only that he is an administrator of rare distinction, but that he appreciates to the full that he is the bearer of a lofty historic mission, rooted alike in the fundamental ideas of the Jewish people and in British traditions of liberty and progress. In protecting the rights of all inhabitants of the country and in furthering the interests of the whole population, the High Commissioner fulfils Mr. Balfour's declaration in its integrity.

It is our constant endeavour to assist the High Commissioner in establishing cordial relations between all sections of the population, and our Jewish and Zionist programme lays special stress on the establishing of sincere friendship between ourselves and the Arabs. The Jewish people returning, after 2,000 years of exile and persecution to its own homeland, cannot suffer the suspicion that it wishes to deny to another nation its rights.

The Jewish people have full understanding of the aspirations of the Arabs with regard to a national revival, but we know that by our efforts to rebuild the Jewish National Home in Palestine, which is but a small area in comparison with all the Arab lands, we do not deprive them of their legitimate rights. On the contrary, we are convinced that a Jewish renaissance in this country can only have a strong and invigorating influence upon the Arab nation. Our kinship in language, race, character and history give the assurance that we shall in due course come to a complete understanding with them.

The two brother nations, Jews and Arabs, working together in peace and harmony, are destined to bring about the cultural and economic revival of the awakening peoples of the Near and Middle East.

The history of Jewish colonisation in Palestine is a proof of the great advantages which Jewish work has brought to the inhabitants of the country. The colonies established by Jews in the course of the last forty years have changed waste areas into flourishing gardens; sandy plains, which were not or were only to a very small degree cultivated have been turned into fertile fields and colonies, the orchards and gardens of which are now worth millions of pounds and give work and food to many people. These areas, in which formerly only the herds of the wandering Bedouins grazed, and then only during a few weeks of the year, have now become closely populated settlements with factories and industries. They embrace already a population of about 15,000 people, and will be able to absorb after special technical improvements a further similar number of new settlers in the near future. Through these colonies many thousands of non-Jews of the neighbourhood earn a living. Experts in all branches of science and industries are devoting their energy, their experience, and their knowledge to the development of the land, and their methods are being copied by their neighbours. Swamps which formerly bred disease and which played havoc with the first Jewish pioneers have now been changed into flourishing settlements. Industries which were unknown in this country have been established and introduced by Jews, such as iron works, cement works, factories for building materials, furniture and joinery, machinery, mills, wine cellars and soap works, printing houses. New towns have been built according to modern ideas and taste. The commerce of the country has been greatly developed, and its branches have spread and widened. Parallel with the great influx of Jewish immigrants, non-Jewish production has been developed and the standard of agriculture has been raised. The tax revenue can be taken as an illustration of this change. Forty years ago the taxes of the Rishon-le-Zion area, for instance, amounted to only a few medjidiehs (1 medjidieh=20 piastres), collected for some water mellons which the Bedouins has sown: now the taxes of this area amount to 5,000*l*. Land has increased in value to an extent formerly unknown, and the greatest part of the sums invested by Jews, which amount to millions of pounds, have remained in the hands of the local inhabitants. Sums which would cover the educational budgets of fully-developed countries have been spent by the Jews to realise modern ideas of education and civilisation. More than 100,000*l*. were spent by the Zionist organisation for their school work the last year. Our example is being followed by the Arabs.

The work for the revival of the country is being continued. Besides persons of means who are building and establishing factories and developing commerce and industry, there are thousands of young men who have fled from their ruined houses in Eastern Europe to devote their strength and energy to their own country. They include teachers, physicians, students and clerks, the majority of them in the prime of life, They are labouring hard on roads and in draining marshes in order to take their part in building up the country.

The Jews are anxious to take their part in the defence of their Motherland. They have proved already their readiness for sacrifice when they enlisted in thousands during the great war, from Palestine and other countries, into the Jewish battalions which fought with the British army for the liberation of Palestine. As the economic development of Palestine progresses with Jewish immigration, Jewish capital and Jewish devotion—the capacity of the country for self-defence will correspondingly expand.

For the rebirth of this country and the restoration of all its ancient glory, all the living forces of Jewry throughout the world must be united in a ceaseless effort. The Jewish people is ready to come forward and bring the necessary sacrifices for the great cause of its regeneration. Quickened by the belief that the foundations of its National Home have been already laid by the declaration of the British Government and the decision of San Remo, the Jewish people feels sure that the facts of daily life in Palestine will go further and further to prove that the Jewish National Home is becoming a living factor. In the recognition of the world Zionist organisation by the Mandatory Power as the representative of the Jewish people for the building of its National Home and in the recognition of Hebrew as an official language of the country, the first steps for embodying the principles of the historic declaration find their expression. And infinite trust fills the hearts of Jewry that the continuation of the work of the Mandatory Power in Palestine will bring each day nearer the realisation of the Jewish National Home in the Jews' ancient country.

It must be accepted as a basic principle in considering the present and the future of the Jewish National Home, that the Jewish people throughout the world are inseparably connected with Palestine and its future. Among the practical measures of the Mandatory Power for hastening the development of the Jewish National Home we would suggest the adoption of a policy of close land settlement; the improvement of the sanitary conditions of the country; the introduction of an improved system of roads and other means of communication; and charging the Jewish people with the development of State lands and such other lands as are uncultivated and have no private owners and with the development of the natural resources of the country.

The historic task of Great Britain in hastening and protecting the rebirth of the Jewish people in its ancient land would then be assured a great future, and the Jewish and Arab peoples will, under the guidance of Great Britain, faithfully collaborate in building up this country of a glorious past and of an ever-promising future.

Mr. CHURCHILL'S REPLY.

I have just finished receiving a deputation representing some of the Moslem inhabitants in this country, and I have told them quite plainly that there can be no question of our departing from the principles enunciated by Mr. Balfour in his declaration. I pointed out to them that these principles are two-fold; in the first place, the British Government will favour the establishment of a Jewish National Home in Palestine; in the second place that process will take place without prejudice or unfairness to the existing Arab and Christian inhabitants of the country, who together are of course in an overwhelming majority. I am myself perfectly convinced that the cause of Zionism is one which carries with it much that is good for the whole world, and not only for the Jewish people, but that it will also bring with it prosperity and contentment and advancement to the Arab population of this country, and I shall do my best to help my friend Sir Herbert Samuel in carrying out the policy already declared by the British Government. But I must not conceal from you, indeed you probably know it yourselves, that there is a great deal of alarm felt by the Moslem population of Palestine lest they should be dispossessed of their lands and property and supplanted from their rights in this country in which they dwell, and put under the rule of those who are now in a minority, but who will be re-inforced by large numbers of strangers coming from over the seas. I have pointed out to them that Zionism can only succeed by a process which confers benefits upon the whole country, and which at each stage provides the means for supporting by industry or agriculture the new-comers who come in. They have also expressed alarm at the character of some of the immigrants whom they accuse of bringing Bolshevik doctrines. Whatever we may think of these fears, it is your labour to dispel them and do your very utmost to promote a spirit of peace and goodwill in the country. This I know is your wish and intention. I know it is the intention and policy of my Right hon. friend.

I have just been making a statement to the Moslem deputation which I am afraid was not very agreeable to them. They will not expect me to make a statement to you which will be very agreeable to you. It is my duty to try to reassure and encourage both. We intend to do our best to secure a fair chance for the Zionist cause and movement, but we shall need all the help we can get, and not only help in the way of enthusiasm and energy, though that is very necessary, but also help in the still harder quality to display, especially in conjunction with enthusiasm, restraint and forbearance.

When I go back to London, I have no doubt I shall be told that but for the Zionist movement there would be no need to keep up such a large British garrison, at so great an expense, in this country. You must provide me with the means, and the Jewish community all over the world must provide me with the means of answering all adverse criticism. I wish to be able to say that a great event is taking place here, a great event in the world's destiny. It is taking place without injury or injustice to anyone; it is transforming waste places into fertile; it is planting trees and developing agriculture in desert lands; it is making for an increase in wealth and of cultivation; it is making two blades of grass grow where one grew before, and the people of the country who are in a great majority, are deriving great benefit, sharing in the general improvement and advancement. There is co-operation and

fraternity between the religions and the races; the Jews who are being brought in from Europe and elsewhere are worthy representatives of Jewry and of the cause of Zionism, and the Zionists are taking every step to secure that that shall be so. The pioneers in a matter of this sort must be picked men, worthy in every way of the greatness of the ideal and of the cause for which they are striving, and in that way you will give me the means of answering effectively those who wish to prevent this experiment and cause from having its fair chance. It would be easier for me to speak in terms of ardent enthusiasm of the cause which you have at heart, but I should only be speaking to those who are already convinced. It is more important for me in these words which I address to you to counsel prudence and patience, and to endeavour to strike a note which will make your path more easy, while allaying the alarm, however unjustified, of others. I earnestly hope that your cause may be carried to success. I know how great the energy is and how serious are the difficulties at every stage and you have my warmest sympathy in the efforts you are making to overcome them. If I did not believe that you were animated by the very highest spirit of justice and idealism, and that your work would in fact confer blessings upon the whole country. I should not have the high hopes which I have that eventually your work will be accomplished.

I think we have given it its best chance of accomplishment by the appointment which His Majesty has made of Sir Herbert Samuel. He is, I know, animated by strong principles of liberal and impartial justice and by an affection for all the people of the country over whom he has been set, and no-one can accuse him of not also being devoted to the cause which you have at heart. With his prudence, experience and guidance, I trust that the difficult years of beginning may be passed through and that in a few years' time there will be a feeling of greater well-being among the people of Palestine, and that things will be better for everyone and that the fears which are honestly entertained, mistaken if you will, by the Mohammedan inhabitants of the country will be proved to have been without any foundation.

I thank you very much for coming to see me. I am much honoured by the trouble you have taken. I have read with great interest and sympathy the paper you have prepared, and I shall lay it before the British Cabinet on my return. They will see the case presented with so much force on both sides, and I shall do what I can to assist his Excellency in the task which the British Government has given him.

Mr. CHURCHILL'S SPEECH AT THE HEBREW UNIVERSITY SITE.

Chief Rabbis, Mr. Sokolov, Ladies and Gentlemen. I thank the honourable Rabbis for the precious gift you have presented to me, the scroll of the Law, which, as you have said, contains all the truth which has been accepted by the greater part of the enlightened world, and which is the heritage of Christians and Jews alike. I shall treasure this present in my family and hand it down to my children after me. I repeated yesterday the promise which Mr. Balfour made in the name of His Majesty's Government. Great Britain always keeps her promises and honours the scraps of paper on which they are written. This time, too, we shall do all we can to fulfil our engagements.

Personally, my heart is full of sympathy for Zionism. This sympathy has existed for a long time, since twelve years ago, when I was in contact with the Manchester Jews. I believe that the establishment of a Jewish National Home in Palestine will be a blessing to the whole world, a blessing to the Jewish race scattered all over the world, and a blessing to Great Britain. I firmly believe that it will be a blessing also to all the inhabitants of this country without distinction of race and religion. This last blessing depends greatly upon you. Our promise was a double one. On the one hand, we promised to give our help to Zionism, and on the other, we assured the non-Jewish inhabitants that they should not suffer in consequence. Every step you take should therefore be also for moral and material benefit of all Palestinians. If you do this, Palestine will be happy and prosperous, and peace and concord will always reign; it will turn into a paradise, and will become, as is written in the scriptures you have just presented to me, a land flowing with milk and honey, in which sufferers of all races and religions will find a rest from their sufferings. You Jews of Palestine have a very great responsibility; you are the representatives of the Jewish nation all over the world, and your conduct should provide an example for, and do honour to, Jews in all countries.

The hope of your race for so many centuries will be gradually realised here, not only for your own good but for the good of all the world.

Once more I thank you for the present you have given me, and for the kind reception you have organised in my honour.

I am now going to plant a tree, and I hope that in its shadow peace and prosperity may return once more to Palestine.

Minute by Sir Herbert Samuel on the Memorandum Presented by the Executive Committee of the Haifa Congress, March 30, 1921.

[It is not intended to make any observations on questions of opinion, but only on questions of fact.]

1. Non-recognition of the Congress was not due to any question of its representative character, but the fact that it opposes the principles embodied in the Mandate.

2. The Committee of the Jewish Conference has been officially recognised as dealing with purely Jewish affairs on condition that it accepts the principles of the Mandate and makes no representations inconsistent with them. This condition has been accepted. Should the Haifa Congress Committee take the same course as the Jewish Committee they will be similarly recognised.

3. The separation of Palestine and Syria has no relation to Zionism. It is obviously due to the fact that France as well as Great Britain is interested in these countries.

4. This is an illustration of the fundamental misunderstanding of the Arabs with respect to Zionism. There is no question of transforming Palestine in the sense that the present population are to be removed and another substituted.

5. This passage is of interest as it indicated that the anti-Zionist movement is not part of any pan-Islamic movement based upon zeal for the defence of the Mohammedan religion.

6. In Syria the effective authority is exercised by the French officers.

7. There is no recollection of any such passages in Mr. Bentwich's book.

8. The promise to King Hussein did not include Palestine.

9. There is no question of touching anything belonging to private persons.

10. There is no spiritual connection between the Arab race and Spain, or between the Turks and the Balkan States.

11. The 400 years should be at least 1,400.

12. This is an accusation that the British Government issued the Balfour Declaration in return for financial support.

13. The documents mentioned in the book are known to be absolutely fictitious.

14. The opposite is the case. The Arab villages in the neighbourhood of the Jewish colonies are not less but more prosperous; they have more employment; they show more progress in their methods of agriculture and live on excellent terms with the Jewish colonies.

15. There is no basis whatever for this accusation.

16. The inconveniences that arise from the creation of a frontier are not due to Zionism, but to the fact that the Mandates for Syria and Palestine are separate.

17. The restrictions upon exports were adopted in Palestine, as in other countries, in order to prevent the country being depleted. They have been far less extensive than in Egypt, and similar to the restrictions adopted in Syria. At a recent meeting of the representatives of the Chambers of Commerce of Palestine, at which only a small minority were Jews, the Government was urged to maintain the restriction upon the export of wheat. Nevertheless, it has been considered safe to remove that restriction and all exports of cereals are now free.

18. There have been remarkably few bankruptcies in Palestine compared with other countries.

19. There is no basis for this accusation.

20. These improvements have been effected at the urgent desire of the population and have been carried out without any increase of taxation.

21. The budget for education has been greatly increased, and new schools are being opened at the rate of more than one a week.

22. The contracts are let by tender, and the cost to the Government is not increased by employment of Jewish labour.

23. The present cost will be two millions and not seven.

24. There is no intention of depriving the Palestinian nation, as a whole, of the value of the Crown lands.

25. The press is more free in Palestine than in any neighbouring country; prosecution is rare, and there has been no case of an editor being imprisoned.

SECTION IV.—ADEN AND SOMALILAND.

Appendix 24.—Aden.

NOTE ON THE FINANCIAL ASPECT OF THE TRANSFER FROM INDIA TO THE COLONIAL OFFICE OF THE CONTROL OF CERTAIN AREAS IN THE MIDDLE EAST.

MARCH 23, 1921.

ON the 14th March the Secretary of State for the Colonies suggested to the Secretary of State for India that opportunity should be taken of the visit of his Excellency the Viceroy to Cairo for a discussion of certain questions connected with the Middle Eastern Department (copy of telegram is attached and marked "A"). On the 15th March Mr. Montagu replied that his Excellency the Viceroy would be glad to discuss any subjects which Mr. Churchill might wish to lay before him. They could not, however, be finally settled except by the Government of India and the Secretary of State in Council. He agreed that it would help to save time if Earl Reading heard Mr. Churchill's suggestions for their solution on his way to India. In the meantime he was telegraphing to India Mr. Churchill's telegram and his reply, in order that he could get as quickly as possible the preliminaries upon which examination of the problems in London could be based.

Before discussing in detail the points mentioned in the attached telegram "A," it may be as well to draw attention to a telegram received on the 21st March from the Government of India, of which copy is attached and marked "B," in which they explain that, as far as they can see at present, they are likely to be able to accept the main recommendations of the Masterton Smith Committee Report in principle, subject to satisfactory financial adjustment. In particular, they say that any proposal to saddle India with financial liabilities for Aden on its severance from India must be strenuously resisted.

The point of view of the Middle East Department is that it is impossible to consider Aden separately from the Middle East as a whole. With the disappearance of the Turks from South-West Arabia the British representative at Aden has been brought into direct relations with the neighbouring Arab rulers, the Imam of the Yemen and the Idrissi of Asir, who are in their turn in direct relations with Ibn Saoud and the King of the Hedjaz. The main object in creating a Middle East Department has been to establish one central authority for all the responsibilities of His Majesty's Government in the area inhabited by the Arabs. Without such a central authority no satisfactory policy can be pursued, and it is illogical to consider one part of this great problem separately from the remainder. It is for this reason that it has been proposed to bring Aden within the scope of the new Department.

Indian interests in the Middle East fall under two main heads. Firstly, as a part of the British Empire India is vitally interested in the maintenance of the maritime routes which border the Arabian Peninsula; secondly, as a Power which possesses over 70,000,000 Moslem subjects India cannot but be closely interested in the policy pursued by His Majesty's Government towards the cradle of Islam. To such an extent are Indian interests implicated in the Arabian problem that there was practically no item of pre-war expenditure in the Arabian Peninsula which was not borne in the first place by the Government of India. It is true that in a large number of cases this expenditure was shared either by the Foreign Office or the War Office, and it is not suggested that Imperial funds should cease to bear a share of the expenditure. On the other hand, the new arrangement is merely an administrative readjustment which aims at more efficient control of policy, and offers no ground for reducing the share of the cost which was in the past borne by Indian revenues. The entire charge will now fall in the first place on Imperial funds, but in the same way that Imperial funds formerly contributed a proportion of expenditure borne in the first place by India, it is now for India to contribute towards a charge which is borne in the first place on Imperial funds

So far as can be ascertained at the moment in Cairo the existing financial arrangement is as shown in the statement marked "C." If these figures are

correct, Indian revenues appear to be at present responsible for the payment of a sum of 615,350*l.* per annum in respect of the areas which are now to be transferred from India to the Middle East Department. The Secretary of State for the Colonies sees a fair prospect of effecting reductions in the expenditure now borne by India, and it is hoped that the present financial burden will be appreciably lessened as a result of the transfer. If, however, the Government of India maintain their present attitude as shown in telegram "B," he will be compelled to refuse to accept the transfer, not only of Aden, but also of any existing Indian liability in the Middle East, or, in other words, to reconsider the whole position of the Middle Eastern Department. India would then be left without the prospect of easement which a centrally organised Arabian policy and a possible administrative amalgamation with Somaliland would offer.

A separate note prepared by the Finance Department of the War Office on the past history of the incidence of military expenditure in Aden is attached and marked "D."

"A."

PARAPHRASE OF TELEGRAM FROM MR. CHURCHILL TO SECRETARY OF STATE FOR INDIA.

(Private.)

I should be obliged if you would kindly authorise the Viceroy to discuss the following matters with me when he passes through Cairo. My hope is that we shall be able to reach a provisional agreement which I can bring home for your concurrence:—

1. Handing over of Aden Administration to Colonial Office by Government of India. How and when will this take place?
2. Will the Arab Political Service absorb the members of the Bombay Political Department now serving at Aden?
3. On the assumption that India will pay the same proportion as heretofore towards the cost of the Aden garrison and Administration, I suggest that a sum should be fixed for the Indian contribution, which, in view of contemplated reductions, will in any case be less than what they now pay.
4. Will India agree to second for a period of five years officers of the Indian Army and Indian Civil Service required for the Middle East?
5. I presume that India will continue to pay for the Administration of the Persian Gulf, since the Masterton-Smith Committee recommended that the Administration should remain under India.
6. Share to be borne by India in all Imperial expenses connected with the pilgrimage, including possible subsidy to King Hussein, and quarantine expenses at Cameran.
7. It seems to me impossible that the Government of India should repudiate their long-established obligations in respect of other subsidies, many of which arise out of treaty engagements made by them and all of which are at present paid in the first place from Indian revenues.
8. Employment in Palestine, Aden and Mesopotamia of Indian troops as part of the permanent garrison.

Please let me know by telegraph whether you agree that it would be useful for me to try and arrive at some provisional agreement with the Viceroy when he is in Cairo, or whether there are any of the subjects mentioned above which you would prefer me to discuss with you in London in the first instance.

"B."

PARAPHRASE OF TELEGRAM FROM GOVERNOR OF INDIA TO SECRETARY OF STATE FOR INDIA. REPEATED TO MR. CHURCHILL.

(Private.)

The report of the Masterton Smith Committee has only just reached us. The Secretary of State for the Colonies may rest assured that we will do everything we can to help him, but some of the points raised by him, and in the report of the

committee, are too technical for immediate settlement. We suggest that he should telegraph his proposals, financial and other, both here and to you officially, in so far as they affect India. We think that it would be convenient if your telegram to us could be made official and brought on to official records. As far as we can see at present, the main recommendations of the Masterton Smith report are likely to be acceptable, subject to satisfactory financial adjustment, with which the report does not deal, but strenuous resistance must be offered to any proposal that India should be saddled with financial liabilities for Aden after its transfer to the Colonial Office.

"C."

Incidence of Expenditure in Middle East.

	Indian Revenues.	Imperial Funds.
	Rupees.	Rupees.
Bahrein	62,000	6,000
Koweit	62,500	62,500
Muhammerah	30,000	30,000
Aden civil	472,000	..
Aden military—		
Army	6,000,000*	3,600,000*
Military works	195,000	..
Special defences	46,500	46,500
Marine	225,000	..
Red Sea quarantine—		
Capital	60,000	60,000
Recurring	125,000	125,000
Persian Gulf—		
Lights and buoying	106,200	106,200
	7,384,200	4,036,200
Converted at 1s. 8d. to the rupee ..	£615,350	£336,350

* War Office figures.

"D."

Aden.

Note by the War Office Finance Department.

Aden has hitherto been regarded as an integral part of the Indian Empire. Until the end of the 19th century India bore the whole cost, both civil and military, but on the recommendation of Lord Welby's Royal Commission on Indian expenditure it was agreed that, with effect from the 1st April, 1901, army votes should contribute annually 100,000*l.* (then estimated to represent one-half of the current military charges) and half the capital outlay (works and armaments) on the defence of Aden.

During the war army votes paid the peace contribution (as above), together with half the extraordinary war charges. Similarly, Indian revenues bore the balance of the cost of the normal garrison, together with half the extraordinary war charges.

In 1917, Aden being then practically besieged, it was decided to transfer the military control of Aden from India to the War Office for the period of the war, political control passing to the High Commissioner, Egypt, on behalf of the Foreign Office. The suggestion came from the Secretary of State for India on the military ground of unity of control under the then conditions; the Army Council concurred and the War Cabinet approved.

Thereupon the Government of India endeavoured to disclaim all financial responsibility, but eventually agreed to leave the financial arrangements as they were, with the proviso that if War Office control continued after the war, or if the control of Aden were ultimately taken out of the hands of India for good, the

arrangements as to incidence of cost should be reviewed and possibly retrospective effect given to whatever decision was eventually arrived at. The Treasury concurred in the proposed review. (Letter to Foreign Office, the 11th June, 1918.)

Aden.

Memorandum by Sir George Barstow.

I saw Colonel Wood, the financial representative of the Bombay Government, on the 5th April in Cairo. We had a fairly long conversation about the suggested transfer of Aden to the Middle Eastern Department, and he handed me the attached papers.

Sir George Lloyd is understood to favour the transfer of Aden from Bombay Presidency to the Middle Eastern Department provided there is a good prospect of stability—in other words, that Aden is not taken away from Bombay only to be restored again in five years' time. He appears to be under the impression that the impending constitutional changes in Egypt and the position of the mandated territories may result in the Middle Eastern Department being left without territories to administer in a few years' time, with the result that Aden would have to be re-transferred. I pointed out that, whatever might happen as regards Egypt and Mesopotamia, the Colonial Office would still be administering the African Protectorates. As far as I knew, the intention was to make a permanent transfer, though, of course, it was always open to Government to reopen a settlement if it appeared necessary.

Colonel Wood's own view was that the transfer was sound as a matter of policy and that the transfer and union with Somaliland ought to be effected. He did not dissent from the view that India ought to contribute to the total cost of Aden, but he thought that there might be considerable opposition in the Legislative Council to any contribution being made and certainly to the amount of the contribution suggested (400,000*l.* a year).

It is important to remember that whereas the Civil Administration of Aden is at present under the Bombay Presidency, the expenditure on the garrison falls on the (Central) Government of India.

Aden was formerly run at a small loss to Bombay Presidency, but of late years has been run at a profit. Table A (*Civil Administration*) shows that the average civil receipts for the last three financial years, apart from the Aden Port Trust and Railway and Municipality, have been 13·6 lakhs of rupees, and the average expenditure 9·5 lakhs of rupees. A considerable part of the revenue is raised by income tax, super tax and excess war profits, the average amount in the past three years having been 9 lakhs. This is interesting, as it shows that income tax is not an impossibility in an Oriental protectorate.

Aden having before the war been a losing proposition for Bombay, money has been difficult to obtain for its development. Sir G. Lloyd is, however, more disposed to spend money on Aden than previous Governors. The increase in the non-official representation in Bombay is likely to have the same effect, for much the greater part of the trade of Aden is in the hands of Bombay merchants and traders.

It is possible that Bombay Presidency may make a claim for the value of capital assets transferred to the Middle Eastern Department, but the total book value of these buildings, &c., is under 12 lakhs, and Colonel Wood did not seem to think that the claim would be seriously pressed by Bombay. I think he shared my view that it would be altogether wrong that the British taxpayer should pay for the value of cemeteries, jails, police barracks, &c., on taking over the Civil Administration.

Colonel Wood's view was that money could profitably be spent in the development of Aden as a port and trading centre. At present it competes both with French at Djibouti and the Italians at Massowah for the trade of Abyssinia, &c. A union with Somaliland might assist British interests in this competition.

He further recommended the change on the ground that the Civil Administration of Aden ought not to be under a Military Governor. The general officers who are successively appointed administrators of Aden have, he says, no experience of Civil Administration—only one of them in his experience has been any good as a civil administrator—and they are inevitably inclined to take the military rather than the civil view on any conflict of interest. He favoured the whole of Aden and Somaliland being under one Civil Governor who would be Commander-in-Chief with a commandant of troops under him.

As regards superior staff, he thought four or five officers in all would be ample for Aden. He enquired as to terms of transfer, and said that men aged from 30 to 40 would not be able to cut their connection with India and come on a five-year contract, with a risk of finding themselves out of employment at the end of the period. Men who have served their term for pension, on the other hand, might be willing to come; he himself was in this position, and would be glad to take employment at Aden on a five-year contract. He struck me as an able and sensible man who would be a valuable officer at Aden where he has had some years' experience. I believe Sir G. Archer knows him.

He believed that with a reduction of paper references to India staff could be reduced or could do more work with the same number.

Military Administration.

Colonel Wood was emphatic in his view that the Government of India would not be prepared to pay a contribution of 400,000*l.* a year for five years towards the cost of the garrison, &c. Neither he nor I had any figures as to the actual cost and strength of the garrison, but he produced a Table C (attached) showing the actual drawings of cash at Aden for military purposes. This would not include supplies issued in kind, and so is not of much value; but he was confident that the cost to India is well under 60 lakhs of rupees (400,000*l.*).

In any case, India would certainly argue that she could not be expected to pay on the basis of the war years. He thought the garrison had now been reduced to pre-war strength. He agreed that a fair charge to India for future years would be based on the equivalent of pre-war garrison at post-war prices. He further agreed that any saving by reason of amalgamation with Somaliland or new arrangements with Arabia should accrue for the British taxpayer's benefit if made by the Middle Eastern Department. But, as he was not authorised to negotiate on behalf of the Government of India (nor I for His Majesty's Government) these expressions of opinion do not amount to much.

He also thought that the Military Department of the Government of India would claim repayment of the book value of capital assets transferred. This also, I think, can be successfully resisted on the argument that the transfer to the Middle Eastern Department is a transfer as a going concern of an undertaking in which both partners (Britain and India) continue to be interested.

Conclusion.

Generally, I conclude that the transfer is likely to be approved in principle but with a severe struggle as to the quantum of India's contribution. India is far too much pressed for money to be likely to agree to any arrangement which makes an unduly favourable bargain for the British Exchequer, but it may be possible to carry the Viceroy and his Council to the point of accepting some reasonable compromise figure.

There are not likely to be any serious difficulties with the Governor of Bombay, unless the Government of India decides to place a portion of the annual contribution as a direct charge to Bombay Presidency. Bombay would then find herself with an annual loss instead of an annual profit, and would protest accordingly.

Appendix 25.—Aden and Somaliland: Military.

Secretary of State,

I submit the proceedings of my Committee on the Organisation of the Aden and Somaliland Administrations, together with proposals for reduction in the present garrison. On account of the personal questions in view the Committee have preferred not to make any definite recommendations as to the status of the Governor at Aden under the new organisation, *i.e.*, as to whether, in view of the fact that Aden is a fortress, he should be a senior military officer as heretofore, or whether he should be a civilian by reason of the greatly increased political and administrative work that will now fall to his lot. I have not had an opportunity of consulting the C.I.G.S. on the question, and cannot therefore commit him on this point, but my own view inclines to the solution of a Civil Governor, with a Colonel Commandant as O.C. troops, who will act for the Governor in the latter's absence.

The following is a summary of the Committee's recommendations:—

1. The complete amalgamation of the Administrations of Aden and Somaliland is recommended.

2. No definite recommendation is submitted as to whether the Governor should be a military commander of Major-General's rank, as heretofore in Aden, or a purely civil officer. There would appear to be precedents for the adoption of either course. In the event, however, of it being decided to separate the civil and military functions and to appoint a Civil Governor, the O.C. troops should not be of a higher rank than Colonel Commandant. The O.C. troops should administer the Government in the absence of the Governor.

3. The reduction of the permanent military garrison at Aden should be carried out as follows:—

(*a.*) The present detachment at Nobat Dakim should be withdrawn in order to permit the infantry of the Aden garrison to be reduced at once to three battalions, exclusive of the Yemen battalion.

(*b.*) Cancellation of the orders already issued for the despatch of a pack battery to Aden.

N.B.—Action has already been taken by the D.M.O. to carry out this recommendation.

(*c.*) The immediate return to India of the squadron of Indian cavalry, but the retention of the Aden troop at its present strength.

(*d.*) The placing in soap and oil of two out of the four 6-inch guns which form the main armament of the Royal Garrison Artillery at Aden.

(*e.*) The reduction of the Defence Light Section to the minimum required for keeping the instruments in a serviceable condition.

(*f.*) The reduction of the infantry garrison to one British and one Indian battalion, after satisfactory terms have been made with the Imam.

(*g.*) Proportionate reduction in ordnance, supply and transport and Indian medical personnel.

4. One flight of aeroplanes should be sent to Aden as soon as possible to take the place of the Indian battalion withdrawn, as in paragraph 3 (*a*), two aeroplanes to be available for use on either side of the Gulf of Aden as may be required.

5. When the situation admits, the strength of the Yemen infantry battalion of Arabs to be reduced to 400 rifles, and it should be transferred to Somaliland to take the place of the Somalis of the Camel Corps, who should be organised on a retaining fee reserve basis.

6. Arrangements should be made to station one company of the Aden garrison at Shaikh in Somaliland for the benefit of their health.

7. A station ship of about 1,500 tons, capable of carrying 600 troops, should always be available at Aden.

8. The Chief of the Air Staff considers it advisable that the strength of the Air Force stationed at Aden should be one squadron. The Committee recommend that the question of the strength of the Aden garrison be further explored with a view to discussing whether it would be possible, by making further reductions in military strength, to bring the strength of the Air Force up to one full squadron in the event:—

(*a.*) Of peace with the Imam.

(*b.*) Of the failure of negotiations with the Imam.

(Signed) P. DE B. RADCLIFFE,
Major-General, D.M.O.

Cairo, March 23, 1921.

FIRST MEETING OF COMMITTEE ON ADEN AND SOMALILAND.

MARCH 18, 1921.

Present:

Major-General Sir P. P. de B. Radcliffe, K.C.M.G., C.B., D.S.O., Director of Military Operations, War Office. (*Chairman.*)
Sir Geoffrey Archer, K.C.M.G., Governor of Somaliland.
Major-General T. E. Scott, C.B., C.I.E., D.S.O., Political Resident at Aden and General Officer Commanding, Aden Field Force.
Major C. C. J. Barrett, C.I.E., First Assistant Resident, Aden.
Major H. W. Young, D.S.O., Colonial Office.
Major R. R. Jebb, Secretary to the Governor of Somaliland.

The Chairman read a memorandum, dated the 12th March, 1921 (Annexure 1), which had been informally discussed by the Governor of Somaliland and the Resident at Aden. Sir Geoffrey Archer and Major-General Scott agreed in recommending that if amalgamation did take place it should be complete, and that the Headquarters of the new Government should be at Aden.

The Committee then considered Colonial Office memorandum, dated the 21st February, 1921 (Annexure 2), wherein the arguments against amalgamation were fully stated.

Sir Geoffrey Archer thought that the situation in Somaliland was not fully appreciated in the Colonial Office note, and gave the following reasons for the amalgamation of the Aden and Somaliland Administrations:—

(*a.*) Somaliland was too lacking in resources and too small to stand by itself, and must be joined either to Aden or to the East African group.

(*b.*) It had nothing in common with the East African group, of which the nearest port was ten days' sailing distance away. East African methods of administration could not be applied to Somalis, who approximated in their character more nearly to Arabs than to Africans, and required political rather than direct administrative control.

(*c.*) Except in the coast towns, Somali tribal law and not the Penal Code was in use, and it was impossible to enforce such East African measures as, for instance, the control of arms.

(*d.*) Outside his own country the Somali's interests were confined to (1) Aden and (2) Mecca. Aden was already his metropolis and his trading centre, and Aden and Somaliland were commercially interdependent.

The Committee, having considered the opinions expressed, did not agree with the views in the Colonial Office memorandum and were of opinion that the amalgamation of the Administrations was desirable. The Committee saw no objection to the separation of the civil and military functions at Aden and the appointment of a civil functionary residing at Aden as Governor of the combined Aden-Somaliland Administration.

Financial.—Owing to insufficient information regarding Aden expenditure the Committee did not consider themselves competent to deal with the financial side of the proposed amalgamation.

Military.—The Committee were of opinion that any armed bodies classed as troops should be under the orders of the military commander, irrespective of whether they were serving in Somaliland or Aden.

Sir Geoffrey Archer asked that half a battalion of Imperial troops might be stationed in Somaliland in support of the civil power. These troops would be of great assistance by their moral effect, though they would probably not be required to take military measures. A cantonment at Shaikh would have the advantage of providing a hot weather station for the Aden garrison.

With regard to the strength of the Aden garrison, the Chairman said that it was imperative that the infantry should be reduced to three battalions. He understood that the Air Force would be able to provide a flight of aeroplanes. He suggested the withdrawal of the present post from Nobat Dakim and the possible substitution of local levies supported by aeroplanes. Major-General Scott submitted a statement (Annexure 3) showing the present strength of the Aden Field Force and his recommendations for the future. He pointed out the dangers of the present

political situation with the Imam potentially hostile, but provided aeroplanes were available agreed to the abolition of the Nobat Dakim post. Air Vice-Marshal Sir W. G. H. Salmond stated that a flight of aeroplanes could be available for the Aden-Somaliland station within three months, but that the Air Ministry held very strongly to the view that the flight should form the first portion of a complete squadron.

Taking into consideration the Chairman's statement that it was imperative that the Aden garrison be reduced to three battalions, the Committee, while recognising the dangers of this course, recommended that, with a view to the reduction of the Aden garrison by one battalion, the troops should be withdrawn from Nobat Dakim, which was an extremely unhealthy outpost and crippled any battalion sent to hold it. A condition to this recommendation was that a flight of aeroplanes be sent to Aden as early as possible. While the present political situation continued no further reduction of garrison should take place. When, however, suitable arrangements had been made with the Imam, and the future of Kameran was settled, the question could be reconsidered.

ANNEXURE 1.

Memorandum

To:—Sir Geoffrey Archer,
Major-General Scott.

While the Political Officers from Mesopotamia and the Persian Gulf are discussing the agenda which more particularly relate to their sphere, the Secretary of State would be glad if you and your staff officers would discuss the following questions:—

1. The final separation of Aden from India will cut off the present source of supply of British Political Officers from the Bombay Presidency. Aden is not large enough to support a self-contained service. For purely political duties, officers of the Arab Political Service will be available, but some other source of supply must be looked to for the administrative staff. The solution may be found in the linking of Aden with the neighbouring Protectorate of Somaliland.

The Arab Political Service referred to above will be a service which will supply Political Officers for Somaliland, the Persian Gulf littoral and Palestine, east of the Jordan. It is anticipated that from 30 to 50 will be employed in Mesopotamia, from 5 to 10 in the Persian Gulf, and 10 to 15 in Trans-Jordan.

2. One alternative would be for the Administration of Somaliland to take the place of the Government of Bombay as the administrative authority for Aden. This would necessitate the separation of the civil and military functions which are at present combined in one individual at Aden, and the appointment of a civil functionary there directly responsible to the Governor of Somaliland for administrative questions. He should have a member of the Political Service on his personal staff, and would communicate direct with the Colonial Office on all political questions affecting the Aden hinterland and adjoining territory. His position would thus be analogous to that of the Political Resident in the Persian Gulf, if, as recommended by the Masterton Smith Committee, the latter is made responsible to one authority in respect of his administration, and to another in respect of his political functions.

3. Another alternative would be for the Somaliland and Aden Administrations to be combined into one, the head of the Government residing normally at Aden with possible hot weather quarters in Somaliland.

4. The garrison of Aden must remain an Imperial force, but there seems no reason why this should preclude the combination of the Aden and Somaliland commands under one General Officer Commanding.

5. Possible hot weather station for the Aden garrison in Somaliland.

6. Rough budget for Aden and Somaliland with estimate of grant-in-aid required from Imperial Revenues.

7. Respective rôles of military and air forces in Somaliland.

Annexure 2.

Colonial Office Memorandum.

The proposal that Aden and Somaliland should be amalgamated into one Government, which is to be discussed at the forthcoming Conference at Cairo, seems to call for careful examination.

Somaliland has been administered by the Colonial Office on the lines of a tropical African Protectorate for the last sixteen years. From 1884 (when the Protectorate was established) until 1898, Somaliland was administered by the Resident at Aden as a dependency of the Government of India. It was transferred to the Foreign Office as a separate Government in 1898 on the ground that its interests were not identical with those of Aden and that its administration through Aden was inconvenient. In 1905 it passed with the rest of the East African Protectorates from the Foreign Office to the Colonial Office.

It is for consideration whether the reasons which justified the establishment of the Somaliland Government as a separate one from that of Aden do not hold good at the present date, perhaps with even greater force.

The history of the Protectorate during the last sixteen years has been fitful owing to the phenomenon of the Mullah and the changes of policy which his activities have occasioned, but from 1914, when a forward movement was sanctioned by His Majesty's Government, there has been continual progress and no looking back In 1914 the Somaliland Government had a precarious hold of a few coast towns, and made no attempt to administer the interior which was in a state of indescribable confusion and slaughter, while dervish raids were carried out in Berbera itself Since 1914, the dervishes were slowly but gradually driven back first from Burao (which became the Military Headquarters of the Protectorate), and then from the Ain Valley, and finally, as a result of the extremely successful joint military and aerial operations of February 1920, the dervish power was completely annihilated, the Mullah himself was driven across the frontier into Abyssinia, a solitary and discredited fugitive, and the authority and administration of the local Government was extended over the whole of the Protectorate. Simultaneously with this process, which may be called the military reconquest of the country, and subsequent to its completion, the organisation of the administration of the country has continuously been developed and extended. In 1914 the number of European officials in the Protectorate was about twenty-five, it now numbers over sixty. In 1914 there were practically no Public Works, Transport, Medical, Agricultural or Education Departments: now such departments are either in full swing or in process of formation. In 1914 there was not a road in Somaliland; during the last year or two motorable tracks have been constructed on which it is possible to travel by Ford cars and lorries up to the Abyssinian frontier. In 1914 there was little attempt to govern the native inhabitants of the Protectorate, and the efforts of the Government were confined to the military protection of the coast strip from Berbera to the French frontier; now almost the whole country is directly administered under District Officers and even the remote Warsangli area which is adjacent to the Italian frontier has its administrative officer and adds to the revenue of the Protectorate as a result of the establishment of customs stations on this part of the coast.

I have briefly summarised the history of the Protectorate during the last few years in order to make two things clear. In the first place, its recent history has been one of steady development and progress which has every prospect of continuance, and it cannot be said that the present system of administering it has been unsuccessful or that a change is necessary in the interests of good government. In the second place, it cannot be too clearly brought out that the Administration of Somaliland has throughout been formed and developed on exactly the same lines as the other East African Protectorates. Officers in Somaliland serve on precisely the same conditions, rates of pay, allowances, &c., as officers in the service of Kenya, Uganda, Zanzibar, Tanganyika and Nyasaland. In some respects the East African service, including that of Somaliland, may be regarded as one; thus in recent times District Commissioners in Somaliland have usually been officers transferred from Kenya. The methods and system of administration are identical. Similarly the military arrangements in Somaliland correspond with those in the other East African Protectorates. The Somaliland Camel Corps is a local unit formed as a half-battalion of the King's African Rifles. The unit is, in fact, a part of the King's African Rifles, except in name, and it comes under the jurisdiction of the Inspector-

General, King's African Rifles, who visits Somaliland like the rest of the East African Protectorates. The European officers and non-commissioned officers of the corps also serve on King's African Rifles conditions, rates of pay, &c. The results which have been achieved show that treatment of the country as a tropical African Protectorate is the right one.

The proposal that the Governments of Aden and Somaliland should be amalgamated into one is presumably based on the assumptions that the administration of Somaliland forms part of the Middle East problem, and that where two dependencies are near one another (these are separated by a seventeen hours' sea passage) they can be administered more efficiently, and perhaps more cheaply, by one Government than by two. It must be doubted whether these assumptions hold good in the present case. The question may be looked at from three points of view: political, military and financial.

Political.

The question of Somaliland is, obviously, one of African administration, and the administration of Somalis, who are scattered all over the "Horn of Africa," is surely quite distinct from the Government of Aden and its Arab problems on the other side of the Gulf. British Somaliland is only a small part of "Somaliland" in the wider sense, and in fact, we administer a far larger tract of Somali country and a larger number of Somalis in Jubaland, the Northern Frontier District of Kenya, than we do in British Somaliland proper. British Somaliland and Jubaland are geographically and ethnologically one, and the administration of both should be on the same lines, as it is at present.

Moreover the future of British Somaliland depends almost entirely on the future of Abyssinia, and this Abyssinian question is again essentially an African mainland question, in which the Soudan is, of course, closely concerned, but Aden hardly at all.

Aden, as I understand it, is primarily an Imperial fortress, a defended port which is a vital point in our line of communication to India, as commanding the southern entrance of the Red Sea. Its political problems are presumably only incidental to its geographical position and consist of its relations with the surrounding Arab tribes. I believe it is proposed to discontinue these relations as far as possible, and to make more and more of a fortress of the place, but in any case, such problems as it has to deal with might be called political rather than administrative, and are matters of Arabian, not African policy. The Government of Aden and the Government of Somaliland have in fact, entirely different spheres and few interest in common. Aden is essentially a piece of Asia and Somaliland essentially a piece of Africa, Aden is an Imperial fortress with incidental political relations with Arabia: Somaliland is an African Colonial Government which directly administers a large African area and a large African population and which is closely bound up with African mainland questions. To unite the two under one Government would be almost like joining Gibraltar and Gambia into one Administration.

It is, of course, a fact that there is a considerable number of Somalis at Aden, and that these often come into conflict, individually with the Government of Aden. But these are emigrants from across the Gulf and their presence at Aden is no more of a reason for uniting Aden and Somaliland than the presence of large numbers of Indians at Nairobi is for uniting the Governments of India and Kenya.

Military.

The military position in the two dependencies reflects the nature of the two Governments. The garrison of Aden must, it seems, always to some extent have an Imperial aspect and contain some regular troops, while the functions of the General Officer Commanding, Aden, whatever his status, must be that of an Imperial General Officer Commanding. In Somaliland, on the other hand, the garrison (*i.e.*, the Camel Corps which is almost entirely raised locally) is required purely for police purposes, *i.e.*, to maintain order in the Protectorate itself and, as such, it is a Colonial force, suitable for its functions and entirely at the disposal of the local Protectorate authorities and paid for by the Protectorate. An Imperial garrison would probably be useless in Somaliland for the duties which the garrison has to perform. I foresee all kinds of administrative and other complications if, in the event of amalgamation, the General Officer Commanding, Aden, is placed in formal command of the local force in Somaliland as well as of the Aden garrison; and it would at all events be necessary to arrange for the senior officer in Somaliland itself to retain the power of disposing the Protectorate troops for all practical purposes.

Financial.

Somaliland is not self-supporting, and received a grant-in-aid yearly which is normally about 80,000*l*. It is possible, however, that it may pay its way when its mineral deposits (chiefly oil) which are now being, or about to be, tested are developed.

If Aden were self-supporting with a surplus revenue, there might be good reason to urge the amalgamation of the two Governments on the ground that the resulting saving to the British taxpayer would counterbalance other disadvantages of amalgamation. But this is not the case, as Aden also is in receipt of an Imperial grant-in-aid. It is suggested that if Somaliland were joined up with the Middle East area the money for its grant would be found more easily, as it would come out of the Middle East grant-in-aid. This is a question of tactics, but it may be said that we have not hitherto had much difficulty in getting the Treasury to agree to the annual grant-in-aid required for the Protectorate, which are, after all, comparatively small. So far as actual saving is concerned, it is not clear how this would result from amalgamation.

The only connection between Aden and Somaliland is really a *trade* connection. Aden is dependent upon Somaliland for its meat supply, and, as Aden is a port on the main trade route, it is the *entrepôt* for traffic to and from Somaliland. This is a strong reason for welcoming the transfer of Aden to Colonial Office control. In the past the Government of Aden and the Government of India have not gone out of their way to be helpful where the interests of Somaliland traffic were concerned, and, in any case, it will be a great advantage to have both places governed on the same system and to have both responsible to one authority in London. But it is not a reason for amalgamating both into one Government.

I have briefly outlined the reasons which seem to me to make it necessary to approach with great caution this question of amalgamating Aden and Somaliland. If amalgamation takes place, it will be desirable that Somaliland itself should continue to be administered on very much the same lines as at present with a Commissioner at Berbera responsible to the Governor or High Commissioner at Aden who would thus be the connecting link between the two places. But in this event much would depend on the person of the Governor or High Commissioner, and it would seem very desirable, in the interests of the good government of Somaliland, which would be the predominant partner in so far as the need for administration is concerned, that he should always be a man with sound experience of tropical African administration. It is open to doubt whether such a man could always be found and whether, if found, he would be likely to be qualified for the Aden side of his task.

February 21, 1921.

ANNEXURE 3.

—	Aden Field Force. Present Garrison.	Garrison Recommended during Period of Negotiation if Nobat Dakim Garrison Withdrawn.	Post War Garrison Contemplated by War Office.	Proposed Garrison on Substantial Guarantee of Peace with Imam.
Cavalry ..	1 squadron Indian cavalry Aden troop	Aden troop, if at strength of 160	Aden troop ..	Aden troop.
Artillery ..	Headquarters, R.G.A. 2 companies, R.G.A.	Headquarters, R.G.A. 1 company, R.G.A. 1 pack battery or present mobile section, 10-pdrs.	Headquarters, R.G.A. 1 company, R.G.A. 1 pack battery	Headquarters, R.G.A. 1 company, R.G.A.
Engineers ..	1 fortress company .. *2 field companies Defence light section	1 fortress company .. 1 field company 1 defence light section	1 fortress company .. 1 field company Defence light section	1 fortress company 1 defence light section
Infantry ..	1 battalion, British .. †1 „ Indian 1 „ Arab	1 battalion, British .. 1 „ Indian 1 „ Arab	1 battalion, British .. 2 „ Indian 1 „ Arab	1 battalion, British 1 „ Indian
Brigade signal section	One	One	One	One.
		Reduction from present strength— Cavalry, 1 squadron Infantry, 2 battalions		Reduction from present strength— Cavalry, 1 squadron Artillery, 1 company, R.G.A., or 1 pack battery Engineers, 1 field company, sappers and miners Infantry, 3 battalions

* One company arrived in relief of the other and awaits shipment to India.
† One can be dispensed with now as Hodeidah has been evacuated.

On withdrawal from Nobat Dakim, the following reductions will be possible :—

Silladar Camel Corps
Remount section
Field veterinary section
} If squadron 26th Cavalry has left Aden.

On eventual reduction of garrison to post-war peace strength, some reduction will be possible in the following :—

Ordnance depot.
S. and T. corps.
Indian medical services.

SECOND MEETING OF COMMITTEE ON ADEN AND SOMALILAND.

MARCH 19, 1921.

Present:

Major-General Sir P. P. de B. Radcliffe, K.C.M.G., C.B., D.S.O., Director of Military Operations, War Office (*Chairman*).
Sir Geoffrey Archer, K.C.M.G., Governor of Somaliland.
Major-General T. E. Scott, C.B., C.I.E., D.S.O., Political Resident at Aden and General Officer Commanding, Aden Field Force.
Major C. C. J. Barrett, C.I.E., First Assistant Resident, Aden.
Major H. W. Young, D.S.O., Colonial Office.
Major R. R. Jebb, Secretary to the Governor of Somaliland.

Air Vice-Marshal Sir W. G H. Salmond and Lieutenant-Colonel T. E. Lawrence were also present.

Reduction of the Aden Garrison.

The Committee considered General Scott's proposals for the immediate and prospective reduction of the Aden garrison and decided to recommend:—

(*a.*) The cancellation of the orders for the sailing of the Pack Battery now about to proceed to Aden as it is not required. *N.B.*—A telegram making this recommendation has already been sent by the D.M.O. to the C.I.G.S.
(*b.*) The withdrawal at once of the squadron of Indian cavalry but the retention of the Aden troop at its present strength.
(*c.*) The main armament of the Royal Garrison Artillery stationed at Aden is four 6-in. guns. Two of these guns should be kept in use, the other two being put into soap and oil.
(*d.*) The Defence Light Section should be reduced to the minimum required for keeping the instruments in a serviceable condition.
(*e.*) The ultimate infantry garrison should consist of one British and one Indian battalion. It is impossible to reduce below this strength owing to the presence of a large native population in the town and the number of guards which the garrison has to furnish. *N.B* —The Committee accept General Scott's views that the presence of an Indian battalion at Aden is desirable for political reasons and that its substitution by an African battalion would have a disquieting effect on and would be strongly opposed by the powerful Indian community at Aden.
(*f.*) Reductions of Ordnance, Supply and Transport, and Indian Medical personnel should be made proportionately to the reduction of the garrison.

The Committee considered that when the above reductions of garrison had taken place Aden should no longer be a Major-General's command, but that the command should be held by an officer of rank not higher than Colonel-Commandant. His staff should consist of:—

1 G.S.O.2.
1 D.A.A. and Q.M.G.
1 Station Staff Officer.

Sir Geoffrey Archer recommended that on the reduction of the garrison the present Yemen infantry battalion of Arabs should not be disbanded, but should be reduced to a strength of 400 rifles and employed in Somaliland in replacement of the Somalis of the Camel Corps. This would involve no extra expense to the State. He said that if this proposal were adopted it would no longer be necessary on political grounds to station British or Indian troops in Somaliland, although it might be desirable for reasons of health.

The Committee decided to recommend that on the reduction of the infantry strength of the Aden garrison to two battalions, 400 rifles of the Yemen infantry should be retained for service in Somaliland.

The Committee pointed out the necessity for providing a station ship to keep touch between Aden and its outlying dependencies, which, in addition to Somaliland and certain Arab States, included Perim, Kameran and the lighthouses in the Red

Sea. The Government of India keep at present a Royal Indian Marine ship and a British India ship specially chartered for Aden service.

It was suggested that a Government vessel of about 1,500 tons capable of carrying 600 troops should be stationed at Aden, or that a suitable vessel be hired from a private firm.

Air Vice-Marshal Salmond pointed out that when the Chief of the Air Staff consented to the despatch of one flight of aeroplanes for service in Aden and Somaliland he contemplated the ultimate increase of this flight to a full squadron. The C.A.S. was willing to give a flight as soon as possible to help the situation temporarily, but deprecated such small detachments as a permanency. Air Vice-Marshal Salmond accordingly asked if it would not be possible to devise some scheme whereby the strength of the Aden garrison might be decreased by another battalion, whose place could be taken by the squadron of the Royal Air Force, though peace had not been made with the Imam. Personally, he thought that it might be possible in the future to employ aeroplanes for coast defence. Major-General Scott said that when a satisfactory treaty was made with the Iman it should be possible to dispense altogether with aircraft at Aden. Sir Geoffrey Archer added that not more than two aeroplanes were required for local purposes in Somaliland. Air Vice-Marshal Salmond replied that two aeroplanes did not form an administrative unit.

In view of the opinion of the Chief of Air Staff, the Committee considered that, although they were not hopeful of a successful result, the position should be explored with a view to ascertaining whether it was possible to make further reductions in the combined garrisons of Aden and Somaliland so as to permit of the increase of the strength of the Royal Air Force to one squadron.

Appendix 26.—The Imam.

EXTRACT FROM MINUTES OF SECOND MEETING OF COMMITTEE ON ADEN AND SOMALILAND.

(For remainder of minutes and composition of Committee see Appendix 25.)

The Committee considered a memorandum (Annexure 1) which had been prepared by Colonel Lawrence on the question of the relations between His Majesty's Government and the Imam of the Yemen, and concurred in the recommendations made by him as to the tactics to be pursued. These recommendations had been arrived at after consultation with Major-General Scott, Major Barrett and Colonel Cornwallis.

Two notes by Major Barrett, one on policy towards the Imam (Annexure 2) and the other on negotiations between the British Government and that ruler (Annexure 3), were also considered by the Committee.

ANNEXURE 1.

Memorandum.

Imam's Claims.

1. Assurance of his independence and the guarantee to him of the whole of the Yemen and Hadramaut.
2. Subsidy for himself and his tribesmen on pre-war scale.
3. Expert armourers for making arms, ammunition and other equipment.
4. No dealings with any of the people of Yemen except through him. An exception to be made in the case of Lahij, but the rest of Yemen to be under Imam's sway.
5. Yemen merchants to be allowed to trade freely in British dominions.
6. No non-Moslem traders to be allowed in Yemen except with Imam's permission, nor are they allowed to move from one place to another within the Yemen except with his consent previously obtained. He will be allowed to exclude Moslem traders also should he consider them objectionable.

7. No alcohol or intoxicating drugs and no lewd pastimes to be imported, and no munitions except for the Imam himself.

8. Make good what the Turks owed him on account of arrears of stipend and repayment of loans.

Present Position.

The Imam holds the Yemen Highlands and the Tehama south of Hodaidah. He has encroached 25 miles within the Aden Protectorate in the Dhala district, and has made a slight encroachment on the Subaihi border of the Protectorate near Mufalis.

A small British force at Nobat Dakim has hitherto kept the Imam from coming into the Hanshali and Alain country. Reports state that the Imam has no intention of attacking British troops. This would show that he does not desire an irreparable breach with us.

Reasons for Making Peace.

1. Remove threat against Aden and so reduce the garrison.
2. Keep Imam's hands off the Idrisi, with whom we have treaties.
3. Reduce the chance of French and Italian intrigue.

Hindrances to Peace.

1. Our treaties with the tribes in the Aden Protectorate.
2. Our treaties with the Idrisi and his successive advances with our co-operation or consent.
3. Influence of ex-Turkish officers headed by the ex-Vali Mahmud Nadhim Pasha.

What we can Offer the Imam.

1. Customs facilities at Hodaidah and possibly an enclave. This will require the consent of the Idrisi.
2. Guarantee of the port of Mokha.
3. Subsidy of 2,000*l.* p.m.
4. Suzerainty over the Aden Hinterland, minus Lahij and the Fadhli territory, provided he respects the privileged position of our protected chiefs. Portion of subsidy might be considered as being in lieu of tithes in the Protectorate.
5. Neutrality of Bin Saud.
6. Confining the Idrisi within his present boundaries.
7. Acceptance of terms *re* importation of liquor and munitions, provided this does not conflict with the Arms Traffic Convention of 1919 and movements of non-Moslems.

N.B.—In return for the above facilities we can ask that no territory be alienated to a foreign Power without our consent, and that concessions be first offered to British subjects.

Tactics.

1. Remove the ex-Turkish Vali, Mahmud Nadhim Pasha, through the good offices of the Amir Abdullah, if possible.
2. Send a friendly reply to the Imam's latest letter (received in Aden at the end of February).
3. Send one of the Lahij family with some intelligent ex-Turkish subject to Sanaa, with a view to preparing the way for negotiations. On the success of this mission depends.
4. Despatch of a British officer to open negotiations.

ANNEXURE 2.

Note on Policy towards the Imam.

The earliest treaty between the British and the Imam of Lanah, shown in "Aitchison's Treaties," is one between Captain Bruce and the "Umur Futtuh-Oola, agent for the Imam Mehdi, the Chief of Senaa, the city of Som" in the year 1821.

By this treaty a British agent was to reside at Mokha, and was granted certain privileges, including the right of visiting Lanaa. By this treaty the British agent was accorded the right of adjudicating in disputes between British subjects, and rules were laid down for the settlement of disputes between British and Imamic subjects. Although this is the earliest treaty shown by Aitchison, the English had first entered the Red Sea in 1603, and in 1770 there was an attack made on the British factory at Mocha, and Bruce's treaty was the result of an attack made on the British factory in 1819, which resulted in the bombardment of Mocha by Captain Bruce.

In 1801 Sir Hume Popham had gone on an embassy to the Imam, but had not reached further than Taiz. The British treaties with the Imam were presumably rendered nugatory by the Turkish conquest of the Tehama in 1849, and of Sanaa in 1872. The Zaida Imam repeatedly rebelled against Turkish rule in 1911, a condominium was arrived at by which the Imam received a subsidy from the Turks and obtained religious and social control in certain Zaidi districts, with the right to appoint and remove judges and magistrates, subject to the veto of the Ottoman authority. The condominium was to be for ten years.

During the war the Imam maintained a benevolent neutrality towards the Turks. He refused to be drawn by the Sherif of Mecca into an active alliance and remained hostile to the Idrisi, though he kept his truce with the latter more or less faithfully. He sent emissaries into the N.E. Aden Hinterland to win over the tribes of the Beda and Autagi districts to his allegiance and to tamper with those of the Hadramaut. The Imam actually claims all districts that have ever been under the rule of his forefathers, including territory now in the possession of the Idrisi, the Aden Protectorate, Aden itself and the Hadramaut, but as a special concession to His Majesty's Government he has waived his claim to Aden and, as a concession to the Sultan, he does not claim Lahij.

In 1918 a letter, dated the 1st October, from the Imam reached Aden. In this, though he continued to maintain his hostile attitude, he moderated his demands as regards his claims over the tribe in our Protectorate. No action was taken on this letter.

The Naqib Abdul Mahib was, however, called and the whole situation arising from the armistice was explained to him. He was told the lines upon which his master should act, and was sent home on the 14th November, viâ Jizhr, with a letter to the Imam, forwarding the terms of the armistice and enjoining him, in accordance with Clause 16, to assist in the immediate evacuation of Turkish garrisons. He was informed that all questions of money and territory would be settled later.

The Imam, however, obstructed the departure of the Turks on the ground that he had not been informed of the terms of the armistice, nor did he approve of them on account of his pecuniary and other obligations towards the Porte.

He was told that, unless his attitude became more amenable, he could not expect assistance from us in the future. In the meantime Hodaidah was occupied to facilitate the evacuation of the Turks, and the Resident hoped that this landing would improve communications with the Imam and make him more open to reason. He reported that the Imam's communication, and his reported interviews with and letters to Arab Chiefs showed his intentions to be to extend his authority over the whole Yemen. However, the occupation of Hodaidah had a good effect, and the Imam agreed to remove his ban on the departure of the Turks.

The majority of the Turkish military forces accordingly came down to the coast at Hodaidah and surrendered. A proportion of military officers and the greater part of the civil officers, including Mahamed Nedhim, the Governor-General, remained behind. In January 1920 the Imam sent a mission to Aden, but owing to the members having approached the French and American Consuls behind the Resident's back, it was sent back to Sanaa.

The next move was from our part. A mission under Colonel Jacob was sent from Hodaidah with the object of discussing the terms of a treaty with the Imam. Owing, however, to the fears felt by the Qubra tribe that it was intended to hand over the whole Southern Tihama to the Imam, the mission was arrested at Bajil and was only released after an aeroplane demonstration over Bajil and the intervention of the Idrisi.

The mission left Bajil in December 1919 and which was immediately afterwards entered by the Idrisi troops, and also concluded an alliance with the Qubra and Abaas tribes against the Imam. Since that time, individual fighting has continued between the Idrisi-Qubra confederation and the Imam. The release of the Jacob Mission offered the Idrisi a good opportunity, of which he promptly availed himself,

of advancing south from Zaidiya, where we had halted him at the time of the armistice

In the meantime the Imam had advanced into our Protectorate and occupied Dhala in December 1919. The position has remained the same to the present day, except that we have evacuated Hodaidah, which was promptly occupied by the Idrisi.

In July 1919 the High Commissioner at Cairo informed us that he was anxious to restore the *status quo* in the Aden Protectorate The evacuation of Dhala was accordingly made a condition of a new meeting with the Imam.

If the Aden Protectorate were evacuated by him we offered to meet the Imam or his representative at Aden. The Imam was cordial in his invitations to Colonel Jacob or to any other officer to meet him, and suggested Kataha as a suitable meeting place, but gave no signs of withdrawing his troops from Dhala. Finally, the Imam was told that until his troops were withdrawn all communications between him and His Majesty's Government must cease. Notwithstanding this an Imamic deputation consisting of Hassan-al-Ubaidi and twenty-five men was sent down from Dhala with letters for the Resident (General Stewart). The deputation was sent back from Lahij in March 1920. Communication then ceased until February 1921 when we received a letter from the Imam protesting against our handing over Hodaidah to the Idrisi and saying that he had ordered his commander at Dhala to cease all forward movement in our Protectorate pending a discussion of the questions at issue.

Unfortunately for the Imam's *bona fides* the first advance made by Imamic troops in our Protectorate since January 1920 took place at the end of January 1921. They occupied Wadi Thu. fighting between them and the Arab tribesmen is still continuing. In accordance with our Protection agreements we have supplied the Arabs with arms and ammunition, but have been unable to support them with the troops which they have continuously demanded.

The present position is that the Imam has occupied, although he does not appear to have consolidated, the whole of the Turkish Yemen, except that portion in the possession of the Idrisi, and has advanced into the Aden Protectorate as far as the Wadi Thu, about 25 miles outside the border. He has sent his tax collectors into the Azraki and Alain tracts in our Protectorate, and Mokka is held by a representative of Ali Othman a local chief, on behalf of the Imam. Most of the Shafie tribes in Southern Yemen have submitted to Zaidi rule, but they are restive, and rebellions are frequent. At present, in addition to the fighting in our Protectorate, there is fairly severe fighting near Taiz, and the people of Ibn were recently in rebellion. There is also a party among the Zaidis which aims at dethroning the present Imam and replacing him by another member of the Sacred Family. It is negligible at present.

The Hashid and Bakil, strong Zaidi tribes, are discontented with the Imam, and large numbers of them have taken service with the Idrisi. The Idrisi has taken possession of Hodaidah and for a year past has been carrying on indecisive fighting with the Imam at Jebal Nathan and in the neighbourhood of Bajil.

The Idrisi covets Zahib and the Imam appears to be nervous about the position there, judging from the number of reports we receive at Aden about reinforcements sent from Taiz to Zahid.

The Imam has another potential enemy in Bin Saud, who suddenly appeared as the ally of the Idrisi at the capture of Ehha from Hasson-ibn-Aidh in July 1920. His Wahahis subsequently advanced in Saada, in the north of the Imamic territory, but later withdrew, owing it appears to a defeat suffered in Nijoran. Turkish officers report that the Imam is not a friend of the Idrisi, but that he is afraid of Bin Saud.

As a counterblast, presumably, to the Bin Saud—Idrisi alliance, the King of the Hedjaz and the Imam have been corresponding with one another, but the result of this correspondence is as yet unknown.

Our position *vis-à-vis* the Imam falls under two heads :—

1. Relations between the Imam and the Idrisi (about this I have prepared a separate note).
2. Position in the Aden Protectorate. This is discussed in the following paragraphs.

During the war the vast majority of our Protectorate chiefs flirted with the Turks, if they did not actually assist them, as did the Amir and the Haudhali Sultan It was recognised, however, that they acted very largely under *force majeure*, as we

had made no attempt to protect them, and after the armistice they were all restored to our favour and given their pre-war privileges.

The last chief to be restored to favour was the Amir of Dhala, to whom on the 7th November, 1919, the Resident wrote a letter in which were the words : "The Government gives you a promise of safety while in Aden and promises you also that, if your explanation is satisfactory and you are accordingly restored to Government favour, you will be protected against aggression from beyond the border of the Aden Protectorate, both now and hereafter."

Nami Nasir accordingly came into Aden and was restored to favour, but in the meantime the Imam occupied his capital, which the Zaidi have held ever since.

The-Amir was told in response to an appeal for help in ejecting the Zaidi, in a letter dated the 22nd November, 1919 (copy of which was sent to High Commissioner, Egypt, under No. C/978 of the 4th December, 1921), that "We have no doubt that Imam will comply with out requests, but if he does not do so, we will recommend to the High Commissioner, Egypt, that British troops should be sent to Dhala to protect our protégés."

A letter was written to the Imam asking him to vacate our Protectorate, but he did not comply. We accordingly gave Amir Nasir assistance in ammunition and money, and with the help of the Radfan tribes he recaptured Dhala, but lost it again next day.

Arms were also given to the Yafai tribes in our Protectorate, who were anxious to repossess themselves of their land in Shaih out of which they had been turned in December 1919. Some of the Yafais asked us to organise their troops, but owing to mutual jealousy among the sub-tribes nothing resulted, and no attack on the Zaidis was made by them until February of this year, when a very half-hearted attack on the Zaidis, who were busy in Thu, was easily repulsed.

About the time of the fighting early in 1921 the Imam wrote to Aden that he had ordered his commander at Dhala not to advance, an injunction he says he has now repeated in February 1921.

The position now is that we have Protectorate treaties with a number of small tribes in the Aden hinterland. The Protectorate clause in our treaties usually runs as follows : "In compliance with the wish of the aforesaid . . . . the British Government hereby undertake to extend to the territory of . . . . the gracious favour and protection of His Majesty the King-Emperor."

In the war with Turkey, however, we did not extend any protection to these tribes, and all, except the Ahdali Sultan, submitted to the Turks. The Mokalla Sultan also remained loyal, but his case is on a different footing.

We are now faced with a similar situation. The Imam is coming down on these tribes He is encroaching both at Dhala in the north and on the Subaihi border on the west and our military strength does not admit of the despatch of troops to the hills to fight the Imam's Zaidia. The only assistance we can afford therefore is the issue of arms and ammunition. This we do in small quantities as needed, for fear that any large consignment might fall into the hands of the Zaidis. This assistance is no real protection, and there is no doubt that, owing to their fatal lack of cohesion and tribal jealousy, our protégés will easily be beaten in detail in course of time. It is obviously our policy to stand by our protégés. ' The whole of our negotiations with the Imam during the war show this, and we have definitely given the Amir of Dhala a promise of protection against the Imam. We cannot therefore regard the Imam's advance and the consequent fighting as mere tribal affairs. The Imam is the successor of the Turks against whom we made the original treaties. A note written by Colonel Jacob in June 1918 gave the following reasons for not abandoning our protégés :—

1. This would be a breach of faith.
2. We should lose a foothold which one day, looking to the kaleidoscopic nature of Arab politics, might constitute a jumping-off ground in possible eventualities.
3. We require a visible and tangible proof of our interests in the Yemen over and above the bare preferential pronouncement of Arabs for us over other European Powers.
4. This would be tantamount to our loss of prestige as a Government.

Colonel Jacob confessed in this note, what is a fact, that our Arab protégés are of no intrinsic value, but just the reverse. Our treaties, with them are one-sided. We pay out to them thousands of rupees annually in stipends, presents and enter-

tainments "a species of blackmail." The exact figure is over two hundred thousand rupees annually. "Arabs come freely to Aden, but we cannot reciprocate within their tracts, and in the absence of a railway and a sanitarium we are getting little or no return for expenditure. (The only tangible return we receive is a certain amount of protection of the caravan routes.)

"If, however, we were to drive out the Turks (now substitute Imam) and if we were able to regain our old boundary by force of arms, we could then quite possibly afford to be magnanimous, and possibly release some of our northern protected tracts in favour of the Zaidi ruler, *if these preferred the rule of an Arab*, though not otherwise."

The words in italics in the above extract are important, for at present the tribesmen in our Protectorate are bitterly opposed to Zaidi rule. It is true that if the Imam canvassed our Protectorate tribes, as he will surely do if we do not interfere, and if he pursues a conciliatory policy and curbs the activities of his Zaidi troops, our Shafai tribesmen may in time willingly accept Zaidi rule, but that time may be distant, and we are faced with the present.

Our Protectorate possesses certain potential advantages and very present disadvantages. What is to be the policy for the future? There is at present "no one man capable of ruling the Yemen with the full assent of all creeds. The strongest man is the Imam, who will in the ordinary course, provided he plays his cards properly, gain the supremacy." We must have some treaty with the Imam if we are to have peace. The terms which Colonel Jacob was going to Sanaa to discuss, duly modified to meet present circumstances, are the best.

We must offer the Imam some *quid pro quo* if we desire him to waive his claims to the whole of the Yemen exclusive of Aden and Lahej, which is all that he will allow us at present. The solution would appear to be to give him a subsidy.

The Turks paid the Imam a monthly subsidy variously computed at 1,000*l.* per month for self and 1,500*l.* for his chiefs, 3,000*l.* per month for self and 2,000*l.* per month for chiefs, up to a sum recurring into hundreds of thousands of pounds. The correct figure is probably about 5,000*l.* The Turks, however, received the revenues of the Tihama and Senter Yemen which were considerable, while now we receive none of these revenues, most of which are appropriated by the Imam. Our victory in the war put the Imam, who has walked into the territory of the Turks, into a very satisfactory position, and in any negotiations we might make use of this fact. Possibly, therefore, an offer of 2,000*l.* per month might be accepted. The alternative to this is an expedition to Dhala sufficiently strong to expel the Zaidis. Having occupied Dhala we must hold it, or the Zaidi will return as we evacuate. The occupation of Dhala involves an addition to the Aden garrison, and a vulnerable line of communication.

If the principle of the subsidy to the Imam be accepted it may be necessary to apply a little additional pressure before the Imam comes to terms. This may be applied by assisting the malcontents in Imamic territory, or by more active assistance to the Idrisi. Both these courses are objectionable as being contrary to our express desire to see the inhabitants of Arabia living at peace with one another. There remains the occupation temporarily of an Imamic port. The only port at present in his possession, and that only through a local deputy, is Mokka. The occupation of Mokka would probably have the desired effect of bringing the Imam to reason. We could explain the cause of our occupation and say that the remedy was in his own hands. He appears particularly sensitive about his harbours. The occupation of Hodaidah by us led to the removal of his ban on the occupation of the Turks while the occupation of Hodaidah by the Idrisi led to the breaking of his nine months' silence, and a letter of protest to us.

I have not discussed the question of the Hadramaut as it is far distant from the region of the Imamic encroachments, but it must not be forgotten that the Imam claims the Hadramaut also. We have to deal with an Arab potentate of inflated ideas as to his own sanctity, importance and strength. Although he himself is reputed as not particularly fanatical, he is surrounded by fanatics, with no knowledge of the world, who are opposed to any intercourse with infidels. Our military efforts against the Turks in Yemen was not impressive. The surrender of the Turkish garrison increased our prestige, but our inactivity against Imamic aggression has reduced it again, and we are regarded as a nation of merchants, always willing to pay others to do our fighting, be they Arabs, Indians or Africans, but having no martial qualities of our own.

The Jacob mission, while captives at Bajil, realised this to the full, when they

saw the surprise of the Arabs on perceiving that there was actually an Englishman in the aeroplane which flew over the village.

The Imam must be possessed of the same ideas, and if so, he is not much impressed with our military strength, though he realises our wealth and superior equipment, and also our command of the sea.

Annexure 3.

Note on Negotiations between the British Government and the Imam.

In July 1917 the Imam Yahiya-bin-Hamid-el-Din sent a special envoy named Naqib Abdul Wahid-bin-Admed-al-Kaulah to negotiate with the British Government with a view to his acting against the Turks in Yemen.

The terms offered by the Imam were:—

1. His Majesty's Government must secure to the Imam throughout the Yemen the position and right enjoyed by his ancestors.
2. That the Imam was to retain in his possession all Turks who might fall into his hands who wished to remain in the Yemen and any who might himself desire to retain, and that the British Government should bear the expense of the repatriation of Turks after the war.
3. That the British Government should give the Imam adequate sums of money to cope with the operations, and also the allowances made to him and his chiefs by the Turks. These latter payments to begin immediately and to continue permanently.
4. The British Government to repay the loans granted by the Imam to the Turks.
5. That the Imam should be supplied at once with men well versed in repairing arms, and in the manufacture of gunpowder and ammunition, &c.
6. Immediate supply of arms and quickfiring guns, &c.
7. All seaports in the Yemen, which used to be under the control of his ancestors, to be handed over to the Imam.
8. The Idrisi to be removed altogether from Asir.
9. That the British Government was to have no communication with the people of the Yemen except through, or with the knowledge of, the Imam.
10. The British Government should not admit anyone from the Yemen to British nationality except with the Imam's consent.
11. Free trade should be permitted between the Yemen and the sea.
12. Merchants wishing to visit Yemen ports for trade, must get the permission of the Imam. They must not go beyond port limits except with such permission, and then only to places where special permission has been given.
13. The importation of intoxicating drugs and lewd pastimes should be prohibited.
14. The British Government should afford protection by sea.

The emissary explained that by the Yemen was meant the whole of the southern end of the Arabian Peninsula from Hali point up to and including Hadramaut. This included Aden, but the Imam did not wish us to give up Aden.

Ports included all ports in the Red Sea and Southern Arabian coast, except Aden. Aden used to be property of the Imam, but he did not include it in his present claims.

The Government of India and the Secretary of State for Foreign Affairs considered the Imam to be the one really powerful influence in Southern Arabia, that co-operation with him both now and hereafter was invaluable, and that his overtures were significant. They deprecated rebuffing him and thus closing the door to further negotiations.

They suggested stating in reply that we welcomed these overtures of friendship on his part and would gladly come to an agreement with him, at the same time making it clear to him that we could not intervene in tribal affairs or abandon our staunch and loyal friends.

Our aim was the expulsion of Turks from Arabia, and if the Imam co-operated with us in this we would hereafter use our best endeavours to secure a satisfactory settlement between him and his neighbours.

At the same time that these overtures were made by the Imam a strong anti-Imamic confederacy was formed in the Yemen with a view to expelling the Turks. The Idrisi was allowed to negotiate with the Hashid and Bakil, powerful Zaidi tribes and adherents of the Imam, in order to win them over to his side. While a reply to the Imam was being drafted the High Commissioner, Egypt, telegraphed amplifications as follows:—

(*a.*) That the Imam might be guaranteed the subsidy he had received from the Turks, provided that his adherence to the Arab cause was openly given.
(*b.*) That our agreement with Arab chiefs was to be emphasised, by which we undertook not to support one Arab faction against the other.
(*c.*) That, inasmuch as the Arab movement had been joined by every influential chief in the Arabian Peninsula, his hesitation implied hostility to Arab independence, which depended for success on the suppression of territorial disputes between Arabs until after the war, when friendly and fair arrangements could be carried out.

A letter to this effect was despatched on the 24th October, 1917. The Resident had previously informed the Imam "that we have staunch and loyal friends in the protectorate and in Asir, and I am to point out that under no circumstances could we for a moment consider abandoning them. We are prepared to give you at once the same subsidy which you formerly drew from the Turks, from the moment your adherence to the Arab cause against the Turks is openly given."

The envoys submitted the following proposals on the 19th December, 1917, in accordance with which the Resident considered that an agreement with the Imam would be practicable. These were repetitions of terms 1, 2, 3, 5, 9, and 13 of July 1917, with the following additions:—

(*a.*) The Idrisi to maintain his present position, but to make no further movement.
(*b.*) Other foreign Governments to be prevented from going to Yemen in future.
(*c.*) No permission to be given to foreign merchants to visit Yemen without Imam's permission.

The Abdali made the following remarks upon the Imam's terms: "The immediate opening of a Yemen port will be detrimental to Abdali interests, especially if the Imam obtains possession of the Yemen lowlands as well as the highlands. All or the greater part of the Yemen trade will be diverted to the Imam's port. The Imam's stipend from the Turks was paid to him in consideration of his handing over the Tihama to them. I therefore argue that if the Imam gets the same stipend from the British Government the control of the Tihama should remain with the British Government. To give him both stipend and Tihama is uncalled for; further, the stipend granted by the Turks to the sheikhs were paid direct by the Turks."

In sending the envoy's proposals to Cairo the Resident stated that there might be some chance of settlement if some definite proposals could be made as regards—

(*a.*) Fate of any Turkish prisoners captured.
(*b.*) Payment of debts due by the Turks to the Imam and also of stipends to his subordinates.
(*c.*) The future of the Tihama.
(*d.*) The future of the Idrisi.

The Resident proposed that the question of Turkish prisoners should not be allowed to be a cause of further delay, and that some concentration camp easy of access (such as Hodaidah) may be suggested to the Imam. He considered that an increased stipend and the definite offer of a lump sum might overcome any difficulty that he might raise.

As regards (*c*), he said that we could not go back on our former declaration, and that the sheikhs of Tihama should be left to settle their own debts after the war.

With regard to the Idrisi, there was no objection to communicating the terms of the treaty with him to the Imam. The envoy knew that the Idrisi's advance into Tihama depended on the Imam's action or inaction. The position of the envoy was very difficult, because the Imam was bent on a treaty which would force the Idrisi out of Arabia, and we did not want to evict the Idrisi. The Resident expected a reply

from the Imam, and requested that a policy should be formulated and, if possible, a definite basis arrived at for a treaty.

On the 25th February, 1918, the Imam's envoy demanded that we should recognise the Idrisi as being entirely under the Imam.

In March the Resident went to Egypt, and at a meeting with the High Commissioner and other officers it was decided—

1. To inform the Imam of the terms of our treaty with the Idrisi.
2. To assure the Imam of his independence in the Yemen (this broadly), as we had already promised the Idrisi that we would assure his.
3. The treaties that are already in force with different Sultans and sheikhs must be kept outside all discussion.
4. To finance the Imam and his tribes on the pre-war Turkish scale, the tribesmen to be paid through the Imam and not directly by us.
5. To furnish the Imam and the tribes with the necessary paraphernalia of war against the Turks.
6. To allow him to dispose of Turkish prisoners of war as he likes.
7. To lend him men to teach the manufacture of gunpowder.
8. To open to trade a non-Idrisi port such as Ghuleifika or some other free from Turkish interference, as soon as the arrangement with the Imam is completed. The port to be free for Arabs generally and not especially for the Imam.

His Excellency the High Commissioner decided that no mention should be made of the future of the Tihama should any particular port be promised to the Imam.

He saw no reason why the Imam should not eventually obtain Hodaidah if he fulfilled the required conditions.

It was further to be emphasised that we had every intention of upholding our treaty with the Idrisi, and would not countenance any action on the part of the Imam against the Idrisi. The terms of the proposed agreement were to be communicated privately to Sayed Mustapha-al-Idrisi. The High Commissioner was also to write a letter to the Imam.

In the Resident's letter to the Imam on the above lines point 7 was omitted, but the envoy was verbally told that the Imam's men would be taught work in Aden.

The Imam's reply to High Commissioner, the Resident and to his own envoy came in June 1918.

His terms were briefly as follows:—

1. He agreed to our assurance of his independence, but wanted us to guarantee him the whole of the Yemen.
2. He agreed as regards the necessary material of war for use against the Turks, and asked specially for guns, ammunition, cash and transport animals.
3. He accepted our decision regarding Turkish prisoners of war, but hinted that we should help to pay for them.
4. He agreed to the subsidy for himself and the tribesmen on the pre-war scale.
5. He asked for the opening of Hodaidah or Mokka ports.
6. He asked for expert armourers for making arms, ammunition and other equipment.
7. He asked that we should not deal with any of the Yemen people except through him, "with the exception of Lahej and family, the rest of Yemen should be under Imam's sway."
   "His relations with Lahej are to be in accordance with the engagement made between him and the late Sultan Admed Fadhl."

   N.B.—This was an alliance, offensive and defensive, made some years ago.
8. Yemen merchants to be allowed to trade safely in British dominions.
9. No alcohol to be imported and no munitions except for the Imam himself.
10. No non-Moslem traders to be allowed in the Yemen except with the Imam's permission. He was to be allowed to exclude Moslem traders also if he considered them objectionable.
11. He further suggested our making good what the Turks owed him on account of arrears of stipends and repayment of loans made by him to them.

He defined " the whole of Yemen " as that " which was once under the sway of our predecessors or that our hands shall acquire."

Although the Imam's attitude was not thought friendly by Aden, Colonel Jacob and the High Commissioner thought otherwise.

The High Commissioner gave the following as the advantages we should look to obtain from an alliance with the Imam :—

1. To establish our prestige in South-West Arabia and to clear up the unsatisfactory position in the Aden hinterland.
2. To counter a claim by the Turks, based on the principle of self-determination of peoples, to the continuance of their nominal dominion in the Yemen.
3. To facilitate an agreement, or *modus vivendi*, between our allies and the Zaidi ruler of the Yemen, which would solidify the political situation in South-West Arabia.
4. To establish such relations with the Imam as would enable us to assist in the economic development of his country, and would give guarantees against interference by any other power in the political affairs of the Yemen.

It was accordingly decided to write a temporising letter in the following strain, to send it with his envoy, and to ask the Imam to send a duly accredited person to conclude a treaty :—

1. Repeat our undertakings with regard to war material.
2. Proposal about Yemen merchants trading in British territory could not usefully be discussed until the Turks had been overthrown. The same applied to the prohibition against alcohol, munitions, &c., non-Moslem traders, and dues from the Turks.
3. We could not accept the despatch of expert armourers to manufacture arms, &c., but as they would be useless without plant their despatch might be postponed.

4.—(*a.*) We would reaffirm our willingness to assure the independence in Yemen of the Imam as constituted before the war, but without prejudice to existing treaties with the Idrisi (whose State we can recognise as inferior to his own), and our obligations to our stipendiary chiefs.

(*b.*) Declare that we have no desire to interfere in the internal affairs of the country provided that we can be assured that the interests of our subjects will be safeguarded.

(*c.*) That in return for our assistance he should undertake not to enter into treaty relations with, nor to alienate territory to, any foreign Power without our previous consent.

(*d.*) That his continual aloofness from the cause of Arabian independence is increasingly prejudicial; that he should send an envoy with full powers to treat with us, and that an exact account of his immediate requirements in money, arms and ammunition should be supplied.

Appendix 27.—Civil Staffs.

THIRD MEETING OF COMMITTEE ON ADEN AND SOMALILAND.

MARCH 21, 1921.

Present :

Major-General Sir P. P. de B. Radcliffe, K.C.M.G., C.B., D.S.O., Director of Military Operations, War Office (*Chairman*).
Sir Geoffrey Archer, K.C.M.G., Governor of Somaliland.
Major-General T. E. Scott, C.B., C.I.E., D.S.O., Political Resident at Aden and General Officer Commanding, Aden Field Force.
Major C. C. J. Barrett, C.I.E., First Assistant Resident, Aden.
Major H. W. Young, D.S.O., Colonial Office.
Major R. R. Jebb, Secretary to the Governor of Somaliland.

The Committee considered the report (Annexure 1) of a Sub-Committee which had met to discuss the subject of the European Civil Staff necessary for the joint administration in the event of the combination of Aden and Somaliland.

The Committee accepted the view of the Sub-Committee that the Political and Civil Secretaries, the Political Officers in charge of districts of Somaliland and the officers in executive charge of the towns of Aden and Shaikh Othman should be regarded as members of the Middle East Political Service.

It was agreed that a separate administrator, resident in Somaliland, was unnecessary at present, and that in the absence of the Governor the Military Commander at Aden should administer the Government.

Major-General Scott submitted a memorandum (Annexure 2) urging that the appointment of Governor and Commander-in-chief of Aden and Somaliland should always be held by a military officer.

Sir Geoffrey Archer, on being asked to state the civil view, replied that in Somaliland the military situation had entirely altered owing to the destruction of the power of the Mullah, and that the questions that would arise there were now wholly political and commercial as being connected with oil, a trade route to Abyssinia and the development of the country. As regards the Arab side, he said that—

1. Political considerations in Aden had now increased vastly in importance owing to the elimination of Turkey and the consequent necessity of dealing direct with Arab chiefs, such as the Imam of Sanaa and the Idrisi.
2. The towns of Aden and Shaikh Othman contained a large Arab, Somali and Indian population with which a Civil rather than a Military Governor would ordinarily be more competent to deal.
3. The amalgamation with Somaliland would add considerably to the purely civil administrative problems.
4. The important harbour of Aden and the improvements therein, which would probably be required in the near future, will require the supervision of a trained civil administrator.
5. It was true that Gibraltar and Malta possessed Military Governors, but, on the other hand, the very important fortresses of Hong Kong and Singapore had Civil Governors.

The Chairman said that, although he could not commit the Chief of the Imperial General Staff, in his own view fortresses such as Aden were now of secondary military importance, and the general policy was to reduce their armaments. This policy had already been recommended by the Committee in the case of Aden itself. He saw that there were certain advantages in combining the military and civil functions in the person of some specially qualified military officer, but the future garrison of Aden would be so small that it was doubtful whether military officers of sufficient administrative experience would be stationed there.

The Committee came to no final decision on General Scott's note.

ANNEXURE 1.

MEETING OF SUB-COMMITTEE TO DISCUSS THE COMBINATION OF THE ADMINISTRATIONS OF ADEN AND SOMALILAND, MARCH 21, 1921.

Present :

Major H. W. Young, D.S.O. (*Chairman*).
Major-General T. E. Scott, C.B., C.I.E., D.S.O.
Sir Geoffrey Archer, K.C.M.G.
Major Barrett, C.I.E.
Major R. R. Jebb.

The Committee pointed out that the Administrations of Aden and Somaliland were on entirely different lines, that of Aden being upon a system for which, so far as was known, there was no other precedent, and that of Somaliland being on the Colonial system. They agreed that it would be expensive and unworkable in practice if the dual system were to continue in the event of the two Administrations being merged into one.

The Committee considered that the system at present in force in Aden, which was too highly centralised and had grown up upon no settled plan, should be

replaced by the Colonial system, so far as Aden itself was concerned, some extra provision being made for the purely political work arising out of the responsibility for the relations with the Protectorate tribes and control of policy in South-West Arabia.

They recommended that the Governors of Aden and Somaliland should have a civil secretary dealing with all departmental matters in both countries, and a political secretary dealing with political questions in the Aden Protectorate and South-West Arabia and with political native affairs in Somaliland and neighbouring territories.

The administrative system of Somaliland should remain as at present, except that headquarters should be situated at Aden instead of at Berbera. It was considered that the appointment of a separate administrator for Somaliland was unnecessary. It should be left to the Governor to recommend to the Colonial Office whether the Civil Secretary, Political Secretary or the O.C. Troops should administer the Government in the absence of the Governor.

If these proposals were approved the Committee assumed that the Colonial Office would work out the details of the scheme. They were of opinion that the Political Secretary and his assistant at Aden, and the Political Officer and two Assistant Political Officers in Aden, and the five District Commissioners and their five assistants in Somaliland should be regarded as members of the Middle East Political Service.

There being at present no provision for Judicial Officers either in Aden or Somaliland they recommended that such provision should be made.

Annexure 2.

Memorandum.

With considerable diffidence I submit the following note regarding the question as to whether the Governor and Commander-in-chief of the new Aden-cum-Somaliland Colony should be a military officer or a civilian.

To a very great extent the duties of the Resident at Aden correspond with those of a Governor of a colony, and his responsibilities exceed those of some Colonial Governors in respect of the important Southern Arabian political question he has to deal with, as they are connected with chiefs and tribes situated many miles outside the area of the Protectorate he administers.

The duties and responsibilities of the Military Commander in normal time of peace are :—

1. As Commander of a fortress which is regarded as of considerable importance on the highway to India and which protects a harbour and coaling-station, and
2. As Commander of a small force which might be called on at any moment to carry out minor operations inland up to a radius of 30–40 miles or might have to undertake serious defensive measures pending the arrival of an effective force from India or elsewhere.

I think I am correct in stating that the two offices of Resident and General Officer Commanding have been combined and held by a military officer, of the rank of brigadier or major-general, almost since Aden became a British possession.

The decision to combine these two offices must have been arrived at originally for sound reasons.

I know that the question of separating them has arisen in recent years, but I am unaware of the reason why the original decision was adhered to. The Government of India's reason for continuing the system must have been arrived at after very careful consideration by their civil and military advisers.

With the union of Somaliland to Aden will come the additional civil and military responsibilities of that colony, and it has been conceded that the new colony will therefore require two high officials, *i.e.*, (1) a "Governor and Commander-in-chief" and (2) a Military Commander of rank not higher than Colonel-Commandant.

I do not feel qualified to discuss the duties and responsibilities which will come with Somaliland, but we are aware that they will come into the respective spheres

of the two officials mentioned and that the Military Commander must be subordinate to the Governor and Commander-in-chief.

With reference to the two appointments, I think the following are worthy of consideration :—

1. The first importance of Aden as a British possession is as a fortress, and, except as a fortress, this territory could not have remained in our hands all these years.
2. The fortress occupies a most important position as regards the sea, and requires protection from the sea and land.
3. The primary responsibility of the representative of the Crown in Aden is the safety of this fortress which is a very isolated outpost of the Empire.
4. The appointments of Resident and G.O.C., Aden, have been combined for many years and held by a military officer
5. There must have been some reason for originally combining these appointments under one military officer.
6. The Government of India have found sound reasons for continuing this arrangement.
7. The safety of Somaliland must depend on the safety of Aden and military assistance from the garrison there.

In view of these points the question as to whether the Governor of the new colony should or should not be a military officer of rank not below that of major-general seems to be one for further consideration.

There are undoubted advantages in having a civil officer as Governor whose experience enables him to handle the various administrative questions with ease. My own short experience has proved to me that these present no overwhelming difficulties with the efficient civil staff I have been fortunate enough to find in Aden, and I am strongly in favour of having as a Governor and Commander-in-chief an officer from whom the Government has full right to demand the additional knowledge and experience which will enable him to undertake the military responsibilities of his post.

There are other points to be remembered in connection with this question :—

The place is unpopular and conditions of living are not at all on a par with those where senior civil and military officers generally find their peace headquarters.

The appointment of Governor will presumably be well paid and will attract good men.

The appointment of Colonel-Commandant will only carry the usual pay and will be unattractive from point of view of locality and professional opportunities, &c.

Friction has been known to occur between the holders of such appointments, and the climatic conditions of Aden, with its much-restricted area, would not oil the wheels. There would seem less chance of friction between a Governor and Commander-in-chief who is a military officer and his subordinate commander of the troops than between a civilian Governor and Commander-in-chief and his subordinate military commander, particularly when military questions are so frequently in prominence and military interests are so intimately connected with almost all measures in the station.

In view of the small number of troops which may form the garrison after peace has been assured, it might be worth while considering whether the appointment of a Colonel-Commandant is required, if the Governor is a General Officer. The strength of the garrison will be less than that of a brigade, and it would seem possible to have an arrangement by which the senior officer present should exercise command under the orders of the Governor and Commander-in-chief, if he is a soldier.

(Signed) T. E. SCOTT.

March 20, 1921.

SECTION V.—GENERAL.

Appendix 28.—Middle East Services.

COMMITTEE TO DISCUSS THE QUESTION OF THE CIVIL SERVICE FOR COUNTRIES UNDER THE MIDDLE EAST DEPARTMENT.

MARCH 21, 1921.

Present:

Major H. W. Young, D.S.O. (*Chairman*).
The Right Hon. Sir Herbert Samuel, G.B.E.
Sir Percy Cox, G.C.I.E., K.C.S.I.
Sir Geoffrey Archer, K.C.M.G.
Major-General T. E. Scott, C.B., C.I.E., D.S.O.
Colonel A. F. Trevor, C.S.I., C.I.E.
Major E. D. Badcock, M.C. (*Secretary*).

1. The Committee recommend that as a general rule all officials now employed in countries under the Middle East Department whose retention is desired, and who do not belong to pensionable services, should either (*a*) be included in the pensionable Colonial Service at such rates of pay as may be fixed by the Colonial Office and His Majesty's Treasury, individuals being graded in accordance with their seniority and responsibility, or (*b*) that they should be offered five years' engagement on suitable terms. Class (*b*) would consist chiefly of officials employed in Mesopotamia and Trans-Jordania and senior men.

2. The Committee recommend that in the case of class (*a*) the officials should be employed elsewhere in the Colonial Service in the event of appointments lapsing, and that in the case of class (*b*) special provision should be made in the five years' contract to cover the possibility of appointments lapsing within the five years.

3 In the case of officers belonging to pensionable services the service concerned should be approached and asked whether it will agree to second the officers for a term of five years, pension rights being preserved subject to contributions being paid if necessary, and whether it will absorb them in the event of their appointment lapsing at the end of this period, or at some earlier date. The High Commissioner for Mesopotamia and Palestine should submit names of individuals with details of the services to which they belong.

4. In individual cases where the service concerned refuses to agree, or the officer himself prefers to return to his own service rather than accept the terms offered, the High Commissioner should be authorised to attempt to retain his services, if desired, on a five years' contract on special terms, and should refer the matter to the Colonial Office for the final approval of the terms recommended.

5. Individuals of both classes should be informed as soon as possible of the action taken, and comments by them should be invited.

6. The Committee agree in the recommendation of the Masterton Smith Committee that the recruitment for the Colonial Service for employment in Palestine should be conducted with a view to the special requirements of that country. It is also agreed that interchange between other areas of the Middle East is desirable by agreement between the British authorities concerned.

7. In the case of an individual being transferred from a pensionable service under other Departments of His Majesty's Government, or the Egyptian and Sudan Services, such individuals should be enabled to carry their pension rights which they have obtained under a previous Department or Government to their new service. The Colonial Office should approach other Departments of His Majesty's Government, together with the Egyptian and Sudan Governments, with a view to affecting an understanding upon these lines. Any engagements as made would be reciprocal.

8. The Committee are of opinion that a clause should be added to the Mandates for Palestine and for Mesopotamia to the effect that in the event of the termination of the Mandates which have been vested in Great Britain, the rights of British officials employed in the local Government under the British Mandate should be safeguarded.

9. The Committee are of opinion that a special provision should be made for the grant of a higher rate of pension to a senior officer who enters the permanent service of the Middle East Department, and who is not in possession of previous pension rights.

10. In the meantime, the Committee recommend that the status of all British officials now employed in the Middle East shall remain as at present for a period of three months from the 1st April, 1921.

COMMITTEE TO DISCUSS THE QUESTIONS OF THE CIVIL SERVICE FOR COUNTRIES UNDER THE MIDDLE EAST DEPARTMENT.

MARCH 21, 1921.

Present:

The Right Hon. Winston Spencer Churchill (*Chairman*).
The Right. Hon Sir Herbert Samuel, G.B.E.
Sir Percy Cox, G.C.I.E., K.C.S.I.
Sir Geoffrey Archer, K.C.M.G.
Major-General T. E. Scott, C.B., C.I.E., D.S.O.
Major H. W. Young, D.S.O.
Major E. D. Badcock, M.C. (*Secretary*).

The Committee had before them the Minutes of the Sub-Committee assembled on the 21st. The Chairman read the Report, which he considered to be most conclusive, and with which he was in agreement.

Appendix 29.—Subsidies.

FIFTH MEETING OF THE POLITICAL COMMITTEE.

MARCH 16, 1921.

Present:

The Right Hon. Winston Spencer Churchill (*Chairman*).
Sir Percy Cox, G.C.I.E., K.C.S.I.
Major H. W. Young, D.S.O.
Miss Gertrude Bell, C.B.E.
Colonel T. E. Lawrence.
Major-General T. E. Scott, C.B., C.I.E., D.S.O.
Colonel A. F. Trevor, C.S.I., C.I.E.
Colonel K. Cornwallis, C.B.E.

The Committee proceeded to the discussion of subsidies and commitments in Arabia.

After a short review of the situation, *the Chairman* said that they would first discuss the question of the subsidy to Ibn Saud. In this, as in all matters, he was anxious to effect economies, though he fully realised that it might pay in certain cases to grant subsidies, provided a corresponding relief was effected in expenditure on the maintenance of garrisons. *Sir Percy Cox* reminded the meeting that he had recently seen Ibn Saud, and had discussed the question of his affairs, both with him and with his advisers. Ibn Saud had very considerable commitments, and possessed considerable power to harm British interests. He had, however, always done his best to assist British policy, and Sir Percy Cox was confident that it was to our interest that we should maintain a policy of co-operation with him. He urged that in order to enable Ibn Saud to meet his financial difficulties his present subsidy, which amounted to 60,000*l.* per annum, should be increased to 120,000*l.* per annum. He thought that it was not in conformity with British interests that Ibn Saud should be regarded as

a sovereign potentate. The justification for paying him a subsidy lay not so much in the actual services to be expected from him, but rather in the amount of harm he would be able to cause were his policy to become hostile. Ibn Saud had done much to improve public security on the road between Hasa and Bahrein, and he had been most successful in settling the tribes under his jurisdiction. It was true that he had more than once acted in a manner which adversely affected British policy, but he thought that on the whole he had more than justified the good intentions which he professed towards us. He regarded him as equal to King Hussein, and he strongly recommended that the proposal to increase his subsidy should be approved.

Major Young pointed out that if we increased our subsidy to Ibn Saud, it would be necessary similarly to augment that of King Hussein. He realised that Ibn Saud considered himself equal, or even superior in status and in power, to the King of the Hedjaz, whose action in proclaiming himself King of Arab countries he bitterly resented. He submitted that if Ibn Saud were to be given the title of King, it was possible that he might then claim membership of the League of Nations. This would tend to remove him from British control, which was undesirable in view of British interests in Arabia.

Colonel Lawrence did not anticipate that Ibn Saud's inclusion in the League of Nations need cause His Majesty's Government any uneasiness, though he agreed that it might be preferable to maintain the *status quo*.

In reply to a question by the Chairman, *Colonel Cornwallis* recommended that we should give Ibn Saud active financial support at present, and that it might be reduced as the country developed and as his difficulties became less. He preferred the title of Sultan to that of King.

Replying to the Chairman, *Colonel Trevor* supported Sir Percy Cox's view that Ibn Saud and King Hussein should be treated on a principle of equality, and that it would be advantageous in increase the subsidy of the former.

The Chairman was not convinced that it was necessary to treat King Hussein and Ibn Saud on the principle of equality. He pointed out that the former would be receiving very considerable assistance from us, owing to the policy adopted for Mesopotamia and Trans-Jordania, though he fully realised that too much stress should not be laid upon the fact that Feisal and Abdullah were the sons of the Sherif of Mecca, nor upon this artificial connection between the Hedjaz and the mandated territories. He agreed with Miss Bell that it would be well to give a *douceur* to Ibn Saud by way of compensation. He thought that it would be wise to pay Ibn Saud's subsidy by monthly instalments in arrear, as we should then be able to bring more pressure to bear upon him to maintain the necessary tranquillity in Nejd. So long as the method by which we dealt with these Arabian Chiefs was satisfactory, he did not attach much importance to the question of their titles. He did not agree with the suggestion of Major Young that it might be preferable to guarantee a loan to Ibn Saud, as he would thereby be given a large sum of money over which we should retain no control. The Government of India had definitely stated that India would accept no additional liabilities in Arabia, but he was not prepared to accept this.

He thought it was improbable that rivalry could be prevented between King Hussein and Ibn Saud. On the other hand, if our policy were directed properly, it might be possible to effect a reconciliation between them, though, as Colonel Lawrence pointed out, Ibn Saud was five times as strong as King Hussein, and it was too much to hope that friendly relations would easily be established. He requested Sir Percy Cox, General Scott, Colonel Lawrence and Colonel Cornwallis to discuss the matter and prepare a report, giving the reasons for the proposed increase in subsidy to Ibn Saud, pointing out what he had done in the interests of British policy, and what harm he was considered capable of doing if he were to run counter to our interests. *The Chairman* also desired that the report should embody recommendations for an agreement which would be of advantage to His Majesty's Government, and which would facilitate the maintenance of peace and order in Nejd and the surrounding territories. He suggested that possibly the subsidy might be increased to 100,000*l.* provided that an adequate *quid pro quo* could be expected. Among other matters to which Ibn Saud must agree in return for the subsidy would be the cessation of his campaign against King Hussein and maintenance of peace with the Shammar, as his attacks on the latter had already had

the effect of making the Aneza move northwards, and disturbing the political equilibrium of the area through which the proposed air and motor route from Palestine to Iraq would pass. Ibn Saud must also refrain from attacking Koweit. *Miss Bell* thought that it would be unnecessary to give Ibn Rashid a subsidy if we could guarantee him immunity from attack by Ibn Saud and give him some small sum in consideration of his maintaining public security along the air and motor route.

In reply to Major Young, *Sir Percy Cox* stated that Ibn Saud might perhaps accept a wireless apparatus as a present if we cared to offer it to him. He pointed out that it would then be necessary for us to have an agent at Riadh. Ibn Saud could not agree to an Englishman being there, though he had already asked that a Moslem doctor should be sent. Possibly something could be arranged on these lines.

Sir Percy Cox suggested that the Colonial Office should deal with Ibn Saud through himself and not through the British Representative at Bahrein direct.

Major Young submitted that though this was clearly right so long as Sir Percy Cox was High Commissioner, it would be undesirable that the channel of communication should pass through future High Commissioners of Iraq. *The Chairman* agreed that Sir Percy Cox should certainly deal personally with Ibn Saud so long as he was High Commissioner, but that the channel of communication ought not in future to pass through the High Commissioner of Mesopotamia.

Colonel Lawrence pointed out that up to now we had encouraged Ibn Saud to attack the Shammar, in order to divert his attention from King Hussein. He emphasised that we should need the friendship of the Shammar if the projected route passed through Jauf, which was now in the hands of Ibn Rashid. Colonel Lawrence briefly reviewed the position in regard to King Hussein, whose income was greatly reduced by his payments in charity to the people of Mecca and the surrounding tribes, owing to the failure of the pilgrimage. Last year these amounted to 180,000*l.* The Turks had spent approximately 400,000*l.* per annum in the Hedjaz, but this sum was mostly utilised for military purposes, and in return they had taken the customs receipts at Jeddah. This source of revenue had now passed into the hands of the King. It was of the utmost importance, both to King Hussein and to British interests, that the prosperity of the pilgrimage should be restored as soon as possible by the establishment of public security in the Hedjaz.

Major Young reminded the meeting that India has never paid anything towards this subsidy, in spite of her interest in the pilgrimage. The scandals connected with the pilgrimage were well known, and no improvement could be expected until financial assistance was again given to King Hussein, who had not been paid any subsidy by the British Government since February 1920. When the prosperity of the pilgrimage had been established it might be possible to reduce the subsidy, or even to stop it altogether.

Miss Bell thought that it was essential that one of the conditions of the subsidy should be that better control should be enforced. *Colonel Lawrence* pointed out that until money was forthcoming, it was improbable that King Hussein would listen to our advice. *Colonel Cornwallis* thought that it was essential that certain improvements should be insisted upon in Mecca and on the pilgrimage route, notably in the case of the water supply in the Holy Cities. He suggested the dispatch of a Moslem engineer for this purpose. *Colonel Lawrence* emphasised the urgent necessity of reopening the Hedjaz Railway for pilgrim traffic.

The Chairman requested that the Sub-Committee appointed to consider the case of Ibn Saud should similarly report upon the conditions of the subsidy to King Hussein. He suggested that these should include undertakings by the King to encourage this pilgrimage; to maintain an attitude of goodwill towards the British Government; to refrain from any Sherifian propaganda which ran counter to British interests; to abstain from and entirely disassociate himself from anti-French propaganda; and to restrain the activities of the Emir Abdullah in Trans-Jordania. He should be informed that it was out of the question for him to expect to obtain Damascus by force, and that he must adopt a conciliatory attitude towards Ibn Saud.

The Chairman stated that it would be to our advantage to subsidise the Imam, with whom we had so far been unable to establish relations. He pointed out that he was by far the most powerful and the richest Chief in the Yemen, and that one of the conditions of the grant, which should be paid monthly and might amount to 24,000*l.* per annum, should be that he should refrain from attacking the Idrisi.

This would lead to the establishment of peaceful conditions round Aden, and allow of a reduction of the garrison there. He considered that we should resume payment of an allowance to the Idrisi, who during the war had done good service. This might amount to 12,000*l*. per annum.

Colonel Lawrence considered that if it was possible to subsidise only one of these two rulers, the one to be helped should be the Imam. *The Chairman* pointed out that it would be worth our while to make payments to both if a saving could be shown on the Aden garrison, and he directed that the same Sub-Committee should submit recommendations as to amounts and conditions of grants to the Imam and Idrisi.

SIXTH MEETING OF THE POLITICAL COMMITTEE.

MARCH 18, 1921.

Present:

The Right Hon. Winston Spencer Churchill, M.P. (*Chairman*).
Sir Percy Cox, G.C.I.E., K.C.S.I.
Major-General T. E. Scott, C.B., C.I.E., D.S.O.
Colonel A. F. Trevor, C.S.I., C.I.E.
Colonel T. E. Lawrence.
Colonel Cornwallis, C.B.E.
Colonel Slater.
Major Young, D.S.O.
Miss Gertrude Bell, C.B.E.
Major E. D. Badcock, M.C. (*Secretary*).

Colonel Lawrence read the report (Annexure) of the Sub-Committee on Subsidies which had been appointed at the last meeting.

Major Young raised the point whether, from the international aspect, the League of Nations might not object to our treatment of King Hussein, who under the League was an independent Sovereign with membership of the League, as a subsidised chief. He thought it was possible that the French and Italian Governments might raise some objection, and claim the right to participate. This might entail a reduction of the British subsidy to King Hussein, which would make it easier for us to reduce the grant to Ibn Saud.

Colonel Lawrence did not attach much weight to this argument. He emphasised that it was essential that we should subsidise Ibn Saud sufficiently, as he possessed very great power to do us harm.

Sir Percy Cox was in agreement with Colonel Lawrence, and the *Chairman* concurred.

Colonel Trevor stated that the Indian Government had decided to discontinue the payments to the Sheikh of Koweit, which had been initiated in the first instance to counteract German competition for the use of the port of Basra. In consideration of these payments we had obtained certain rights in respect of the Koweit foreshore. German competition was no longer to be feared, and if any further payment were made in future it should be a charge upon Mesopotamia.

Sir Percy Cox pointed out that the old sheikh from whom the lease had been obtained had recently died, and that the appointment of his successor might be a suitable occasion to discontinue the payment.

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ANNEXURE.

MEETING OF SUB-COMMITTEE ON THE QUESTION OF SUBSIDIES.

Present:

Sir P. Cox, G.C.I.E., K.C.S.I.
General Scott, C.B., C.I.E., D.S.O.
Colonel Cornwallis.
Colonel Lawrence.

Agenda.

To consider the question of subsidies to Arab chiefs in Arabia, and to report—

(*a*.) The total amount of the subsidies recommended.
(*b*.) Their distribution.
(*c*.) The services to be rendered in return for them.

We recommend that a total amount of 248,000*l*. a year be paid in subsidies. The present total is 96,000*l*. a year, of which 36,000*l*. are now paid by the Indian and Mesopotamian Governments.

The subsidies fall into two classes:—

(1.) Obligatory, in fulfilment of treaty.
(2.) Voluntary, to obtain certain political results.

1. The obligatory class (exclusive of Muscat, 186,400 rupees per annum, paid by the Government of India) is a small one. It comprises—

(*a*.) Shehr and Makalla: 720 rupees per annum.
(*b*.) Aden protectorate chiefs: 200,000 rupees per annum.

Most of these, including the largest ones, are guaranteed by treaty, and cannot be reduced while the present Aden protectorate arrangements remain in force.

2. The only voluntary subsidies now being paid are—

(*a*.) Bin Saud: 5,000*l*. a month.
(*b*.) Fahad Bey: 20,000 rupees a month.

We recommend—

(*a*.) That Bin Saud be paid 100,000*l*. per annum.
(*b*.) That Fahad Bey be paid 240,000 rupees per annum.
(*c*.) That King Hussein be paid 100,000*l*. per annum.
(*d*.) That the Idrisi be paid 12,000*l*. per annum.

The reasons for the four voluntary political subsidies are as follows:—

(a.) *Bin Saud*.—Bin Saud is the greatest factor in Arabian politics. He owes this position entirely to his skill and personality. He has a treaty with His Majesty's Government. His relations with us have been uniformly friendly. His capacity to harm us is great. From his central position he can invade South-West Mesopotamia, Koweit, Hedjaz and Jebel Shammar when he pleased. The Akhwan, a militant sect of his subjects, are always urging him to attack those of his neighbours who belong to the ordinary Moslem sects. Four such expeditions have taken place in the last four months; but it is significant that none of them was pushed home, and we believe that it is Bin Saud himself who is the moderating influence, and that he remains at the head of the Akhwan movement, in a position to restrain their excesses, mainly by skilful use of our subsidy, which is probably now as large as the total revenues of his Government from other sources.

British interests require from Bin Saud that he refrain—

(i.) From armed action against Mesopotamia,
(ii.) From armed action against Koweit,
(iii.) From armed action against the Hedjaz,

and in the near future, in the event of our coming to an understanding with Ibn Rashid, we will probably desire that each party should undertake not to attack the other without endeavouring to settle their differences by our mediation or advice.

These objects are at present not perfectly attained, and it is therefore suggested that Bin Saud's subsidy be increased from 60,000*l.* a year to 100,000*l.* a year, in the hope that he will gain greater ascendancy over his followers, and be enabled to fulfil our wishes more exactly. It is suggested that the increase take effect at once, for the reduction of our garrison in Mesopotamia will encourage disorderly elements, and the selection of Feisal as ruler will not please Bin Saud. To increase his subsidy during the uncomfortable period appears prudent.

The increase need not be considered permanent. It should be possible to institute friendly relations between Bin Saud and Feisal, and also between Bin Saud and King Hussein. Feisal's accession to Irak should consolidate its peoples, and if at the same time a popular Government can be established in Trans-Jordan the stabilising effect on the desert between should be great, especially if an air route across it is in constant operation. We would then be in close contact with the Shammar and Anazeh, and perhaps able to hold them in accord. In this case the temptation before the Akhwan to attack them, or Koweit, or Hedjaz would be much reduced, and the subsidy could come down in proportion.

We recommend, therefore, that a subsidy of 100,000*l.* a year be paid monthly in arrears to Bin Saud on the above conditions, and that a British representative be sent to him to explain to him the new conditions, and impress on him that on their fulfilment depends the payment of each monthly instalment.

It is understood that Bin Saud wishes to assume the title of Sultan of Nejd. We recommend that in this case His Majesty's Government should recognise it, and that Sir Percy Cox be authorised to let him know this through his deputation now at Baghdad. As soon as Bin Saud has made a formal notification to us, we should notify King Hussein that we have accepted the new style.

(b.) *Fahad Bey.*—Fahad Bey is chief of the Ammarat Anazeh, on the Mesopotamian border west of Baghdad and Korbela, west of the Euphrates. He receives a payment of 240,000 rupees per annum from the Mesopotamian Government, in return for certain services. We recommend that it be continued, since the projected air route from Palestine crosses his tribal territory for the last 200 miles of its course, and his assistance will be necessary to its safe working.

(c.) *King Hussein.*—King Hussein, though militarily less powerful than Bin Saud, concerns us as guardian of the Holy Places, and because of his attitude towards the decision of the Allies as regards Arab areas. Unless he accepts these decisions in their newly-modified form he will be a cause of unrest in the mandated territories, and a nuisance in the Hedjaz. The Moslem world believes we created him, and will blame us if with the disappearance of the Turks from Arabia the pilgrimage conditions become worse. This has been the case lately, since the war has interrupted the pilgrim traffic, and consequently cut down the revenues of the Hedjaz. Hussein has not enough receipts to-day to afford to run a good pilgrimage, nor will he have until larger numbers of overseas pilgrims begin to arrive. Unfortunately they are being deterred by adverse reports of conditions in Mecca. To break the vicious circle we recommend that enough subsidy be paid to King Hussein to enable him to put his house in order; and on grounds of principle we recommend that he be paid the same rate as Bin Saud, namely, 100,000*l.* a year. To pay one more than the other causes jealousy and unfavourable comment.

British interests demand from King Hussein that he—

(i.) Ratifies the Treaty of Versailles and signs and ratifies the Turkish Treaty. This includes acceptance of the mandatory principle, and the disposal of the Arab countries.

(ii.) Recognises and respects our treaties with Bin Saud and the Idrisi, and refrains from all aggression against them.

(iii.) Improves the condition of the pilgrimage. This will include public security, sanitation and protection of the rights of pilgrims. It involves improvements of water supply and hospitals, and a reorganisation of the quarantine at Jidda.

(iv.) Recognise the rights and interests of British subjects in the Hedjaz. In place of the Capitulations it will be necessary to devise some new safeguard for British subjects there.

(v.) Accepts a British consul and agent at Jidda, and, if necessary, a British Moslem agent in Mecca.

(vi.) Prevents the Holy Places from becoming a focus for anti-British or pan-Islamic intrigue,

(vii.) Prevents the Sherifian movement from taking anti-French action, and in particular restrains his followers and tribes in the Syrian area from all manifestation against ourselves or our allies.

We anticipate that the institution of representative Governments in Mesopotamia and Trans-Jordan will satisfy the expectation of King Hussein and persuade him to accept our advice as in the past, especially if we can establish settled conditions on his eastern frontier and accord him with Bin Saud. The grant of a subsidy of 100,000*l.* a year paid monthly in arrears on the above conditions should stimulate him to expend capital on improving the amenities of Mecca. When the pilgrimage is restored, and the Hedjaz again solvent the amount might be reduced, or the entire subsidy withdrawn.

(d.) *The Idrisi.*—The Idrisi was the first Arab ruler to join us in the war. Our treaty with him of January 1917 binds us to help him with the sinews of war such as arms and ammunition both during the war and afterwards, and if he is expelled to provide him an asylum, and to use every endeavour to restore him to his former condition without any diminutions therein. In return we acquire certain definite rights, and have been able to exclude foreign Powers from exercising influence in his sphere. His territory is a strip along the coast, and contains salt, and perhaps oil. Strategically it has been of use to us, as a means of bringing pressure to bear on the territory of the Imam of Sanaa, inland. He is in treaty relations with Bin Saud. At the same time the Idrisi's friendship is in some respects inconvenient. He is the inevitable enemy of the Imam of Sanaa, an old-established, rich and powerful prince of Yemen, who was formerly a Turkish subject, but who is now independent and with whom we would wish to have friendly relations, since he neighbours our protectorate, and indeed is at this moment in armed occupation of part of it.

3. *The Imam.*—Our arguments to persuade the Imam to listen to us are a satisfactory settlement of our frontier line and perhaps a subsidy of 2,000*l.* a month, though the moment for this has not yet arrived and his wealth makes him less quick to this form of influence than Bin Saud. The strongest factor in our hands to promise him is the holding back of the Idrisi from further advances into his areas and for this purpose we want to keep the Idrisi in being on his flank. The Idrisi is at present in difficulties, and to enable him to do this he will require a subsidy of perhaps 1,000*l.* a month, and we recommend that it be paid to him on condition that he maintains friendly relations with us, and grants no concessions to foreign parties in his territory. It is left for consideration whether he should also be given a gift of 5,000*l.* to pay his more pressing debts.

4. *Koweit.*—The Sheikh of Koweit, which is a neighbour of the Mesopotamian State and a trade centre of importance, at present receives a rent of 60,000 rupees a year for a strip of his foreshore. This is no longer required by the Government of India, who recommend that the lease be terminated.

Appendix 30.—Cross-Desert Route, Railway, and Pipe-Line.

EXTRACT FROM MINUTES OF FOURTH MEETING OF THE COMBINED POLITICAL AND MILITARY COMMITTEE.

MARCH 16, 1921.

(For remainder of minutes and composition of Committee see Appendix 8.)

The Chairman stated that it would be necessary to carry out a far-sighted policy of Imperial aerial development in the future. One of the main air routes would undoubtedly be that connecting Egypt with Mesopotamia and India, which would shorten the distance to Australia and New Zealand by eight or ten days. In order to execute this policy it was essential that tranquillity should be maintained upon the route, and it was proposed that a motor-track should be made across the desert from Palestine to Irak, along which aerodromes and wireless stations would be placed at various points. It was suggested that the security of this route might be maintained by granting subsidies to the tribes, and every endeavour must be made to improve its commercial and military value. There appeared no reason why the

civil aerial service should not utilise the same aerodromes, sheds and pilots as would be used in times of war. This amalgamation would lead to considerable economies, and had a very important bearing upon the position now under review in Mesopotamia and on the estimated strength of the future garrison there.

In reply to a question by the Chairman, *Sir H. M. Trenchard* stated that the formation of the route between Ismailia and Baghdad was under consideration by his Department, but he doubted whether it would be ready before the end of this year. A further survey and examination of details was necessary. This had been taken into account in the preparation of the Air Force scheme, which was then being discussed by General Sir Walter Congreve's Committee.

The Chairman asked Sir Hugh Trenchard to ensure that every possible detail be included in his report, as it would eventually be circulated to the Cabinet with the minutes of all other meetings of the Conference. He suggested that the question of the projected route should be discussed with Sir Herbert Samuel when he arrived in Cairo.

Sir Percy Cox asked that a representative of the railways in Irak might be present at the meeting which was to discuss the proposals.

EXTRACT FROM MINUTES OF FIFTH MEETING OF THE COMBINED POLITICAL AND MILITARY COMMITTEE.

MARCH 19, 1921.

(For remainder of minutes and composition of Committee see Appendix 13.)

Air-Marshal Sir H. Trenchard submitted that it would be advisable to inform Sir Herbert Samuel of the suggested air route from Palestine to Irak, and he handed in agenda for the proposed Sub-Committee meeting to inquire into the matter.

Sir Herbert Samuel was in full agreement with the idea, which he considered would not only improve communications between Palestine and Mesopotamia, but would have a very desirable political effect upon the tribes along the route. He nominated Captain F. G. Peake as his representative on the Sub-Committee.

EXTRACT FROM MINUTES OF SIXTH MEETING OF THE COMBINED POLITICAL AND MILITARY COMMITTEE.

MARCH 19, 1921.

(For remainder of minutes and composition of Committee see Appendix 13.)

The report (Annexure 1) of the Sub-Committee, under the presidency of Air-Vice-Marshal Salmond, was then read.

Sir Herbert Samuel stated that the matter of the repair of the Es Salt-Amman section of the road should receive his urgent attention, and *Sir Percy Cox* promised that he would warn the tribes at the eastern end of the route to assist the reconnaissance party on its arrival in their area.

General Congreve agreed to the loan of an armoured-car detachment for a period of six weeks or two months to form a reconnaissance party, provided the extra expenses incurred on this special duty, such as repairs to cars and equipment, were borne by the Royal Air Force.

Air-Vice-Marshal Salmond stated that the method by which he proposed to mark the route was by exploding charges of gelanite at distances of one mile. Local experiments showed that the craters thus formed were clearly visible from the air.

In reply to Sir Herbert Samuel, *Miss Bell* stated that she had seen deep holes which had been dug ninety years ago along the route from Damascus to Mesopotamia, and which were as clear as they had ever been. The white soil underneath

was very conspicuous, and the surface of the country was so stony that no sand blew over and filled in the craters.

Sir Herbert Samuel agreed to lend the services of Captain Peake to the reconnaissance party as political officer.

The Chairman questioned the figure of 50,000*l.* estimated by the Sub-Committee, and said that he considered 10,000*l.* would be ample; in all probability the cost would not reach this figure.

Air-Vice-Marshal Salmond agreed.

It was pointed out that the selection of a northern route would be in the interests of the development of a railway from Mesopotamia to Palestine, if and when such a scheme were undertaken.

General Radcliffe observed that the provision of a railway would save the Anglo-Persian Oil Company approximately 1,000,000*l.* per annum.

Sir Herbert Samuel urged the desirability of the railway from the point of view of Palestine, and he trusted that the matter would be followed up, as it would materially contribute to the success of the proposed harbour at Haifa.

Sir Percy Cox agreed with Sir Herbert Samuel as to the necessity for the railway. He pointed out that the matter could hardly be allowed to stand over indefinitely. It was essential that a definite policy should be laid down in order that commercial interests might be in a position to consider taking over the railways in Irak. Until the view of the British Government had been made clear they would not consider the matter. If the railway were not made he feared that the oil might be sent over the alternative route viâ Nisibin through the French zone, where no doubt very heavy transit charges would be levied.

General Atkinson pointed out that the question of the line was of vital importance, not only to the Anglo-Persian Oil Company, but also to the Government of Mesopotamia, and that it was urgent for a decision to be given in order to prevent capital being placed elsewhere. The company were quite prepared to carry on with the pipe line, provided they knew the policy of His Majesty's Government.

The Chairman agreed that from the Imperial point of view the pipe line and railway were of the utmost importance. He agreed that a railway expert should accompany the reconnaissance party which Air-Vice-Marshal Salmond was sending out. He thought that until we had obtained definite proof of the success of our Arabian policy it was perhaps somewhat premature to make decisions. A saving of 1,000,000*l.* per annum to the Anglo-Persian Oil Company was equivalent at the present rate of interest to a capital saving of 17,000,000*l.*, and he thought that it was so obviously in the interests of the company to make the pipe line that we need not entertain any very serious fears on account of a slight delay. However, he fully agreed that the survey might proceed, and he thought that the Government should bear this charge with the possibility of repayment from the company in the future. When the reconnaissance report was received he would recommend the formation of a special committee in London, at the meetings of which he would ask Sir A. T. Wilson to be present.

ANNEXURE 1.

MEETING OF THE SUB-COMMITTEE APPOINTED TO REPORT ON THE PROPOSED AIR AND MOTOR CAR ROUTE BETWEEN PALESTINE AND MESOPOTAMIA, HELD ON MARCH 17–18, 1921.

Present:

Air-Vice-Marshal Sir W. G. H. Salmond (*Chairman*).
Major-General E. H. de V. Atkinson.
Colonel T. E. Lawrence.
Captain F. G. Peake.
Wing-Commander C. S. Burnett.
Miss Gertrude Bell.

Agenda.

To consider and report upon:—

1. The steps which should be taken prior to the opening of an air route and track to take light motor traffic between Palestine and Mesopotamia, on the understanding that the method of opening the route will be by successive stages of 100 miles. The political aspect should engage particular attention.
2. Review possible alternatives as to the direction the route should take and through which tribal districts it should pass.
3. Financial considerations.

Report of the Sub-Committee formed to Report on the Proposed Air and Motor Car Route between Palestine and Mesopotamia.

1. *Routes Available.*—Two routes are considered:—

Northern Route (*a.*) viâ Amman–Azrak–Ramadi–Baghdad.
Southern Route (*b.*) viâ Maan–Jauf–Baghdad.

The distances involved are:—

(*a.*) 510 miles.
(*b.*) 600 miles.

As regards the northern route, water is known to be available at Azrak and Ain Wiza.

This reduces the waterless area to be covered to 350 miles, whilst as regards the southern route, the waterless area would be 275 miles.

Both of these waterless areas may be still further reduced by future reconnaissances.

On the other hand, the northern area is less liable to tribal interruption, is shorter and more direct. In addition, personnel arriving at Maan by the southern route would have to proceed to Amman in order to reach the main Palestine rail communication, thus adding a distance of 120 miles. This is a further argument in favour of the northern route.

2. The Sub-Committee therefore consider that the balance of advantage in the selection of an air and motor route from Palestine to Mesopotamia appears to rest with a route running viâ Amman–Azrak–Ramadi, in view of—

(*a.*) The shorter distance involved.
(*b.*) Simpler tribal conditions.
(*c.*) Proximity to a projected railway line on the proposed all red route from the Mediterranean to Mesopotamia.

The Sub-Committee recommend, therefore, that the first action to be taken should be to reconnoitre this route.

3. They also recommend that, at the forthcoming Conference at Jerusalem, the Emir Abdallah be asked to—

(*a.*) Guarantee a safe-conduct and facilities to our cars at Amman.
(*b.*) To give facilities for the preparation of a landing ground at Amman.

(*c.*) To provide a post at Azrak.
(*d.*) To initiate friendly relations between the political officer attached to the Royal Air Force and the tribes concerned along the route, in particular the Ruwalla tribes.

4. They suggest that his Excellency the High Commissioner, Mesopotamia, be asked to take the necessary steps to inform the tribes in his area of the intended expedition.

5. The Sub-Committee consider that if the reconnaissance proves the northern route to be a suitable one, the road Jerusalem–Es Salt–Amman should be placed in such a state of repair that Air Force supply cars be taken along this road. For the present, temporary repairs should be carried out between Es Salt and Amman, to enable motor transport to proceed from Jerusalem to Amman for the purpose of reconnaissance.

6. The Sub-Committee also consider that as soon as satisfactory results have been obtained on the recommendations contained in paragraphs 3 and 4, the Royal Air Force should establish an aerodrome and car base at Amman, from where the first advanced base at Azrak would be established.

In addition, four armoured cars should be attached to the Royal Air Force during the whole of the reconnaissances.

Crossley light tenders should be used for the actual work of reconnaissance as well as portable wireless transmitting and receiving sets, which would form part of the equipment of the reconnoitring cars.

7. The general method of reconnaissance would be as follows:—

A 50-mile forward stage by cars daily, supported by a further 50-mile forward stage by the Royal Air Force for air reconnaissance purposes.

The object of the forward air reconnaissance is to report in detail on the country ahead and thus simplify the task of the car reconnaissance party.

8. It is also suggested that his Excellency the High Commissioner of Palestine be asked to supply a political officer with experience of tribal conditions to be attached to the Royal Air Force for the purpose of the reconnaissance and to make any political arrangements that may be necessary for the safety of the party.

9. The Sub-Committee recommend that the Egyptian Government Survey Department be asked to lend a surveyor to accompany the expedition.

10. The Sub-Committee consider that a provision of 50,000*l.* should be ample for opening the route. This sum should be reduced considerably should the first reconnaissance prove successful.

11. Major-General E. H. de V. Atkinson, in his capacity as Adviser of Public Works for the Government of Mesopotamia and a member of the Sub-Committee, asked that the following note on the projected railway communications between the Mediterranean and Mesopotamia be attached to the Committee's report:—

NOTE BY MAJOR-GENERAL E. H. DE V. ATKINSON, C.B., C.M.G., &c., WITH REGARD TO THE POSSIBLE FUTURE RAILWAY CONSTRUCTION.

Taking into consideration—

(*a.*) The Imperial importance of an all red railway route from the Mediterranean to the Persian Gulf,
(*b.*) The assistance a railway would be to the permanence of an air route from Cairo to India and Australia,

it is recommended that His Majesty's Government should lend all its weight to the construction of an all red route railway from the Mediterranean to Baghdad, with which the proposed air route would coincide as far as possible, in preference to the construction of a line viâ Mosul, Nisibin and the Baghdad railway.

It is recommended that the applicants for the concession should now be approached with a view to detailed investigation, and that during the Conferences in Palestine the support of the Emir Abdallah and other Arab authorities on the route should be invited, on the general principle that they could either be given shares in the railway or a subsidy in return for protection of material and personnel.

ANNEXURE 2.

NOTE BY SIR HERBERT SAMUEL, MARCH 22, 1921.

Hit–Haifa Railway and Pipe Line.

Sir Arnold Wilson, who now represents the Anglo-Persian Oil Company and Pearson's, spoke to me about the proposed railway and pipe line to the Mediterranean.

He said :—

1. It would be three years before it would be known whether oil in Mesopotamia was a paying proposition, and two years after that before the railway and pipe line would be completed.
2. The pipe line could not be undertaken unless a railway was built.
3. His group would be prepared to take up the project seriously and to find the capital, but only if they obtained such guarantee as would offer a prospect of commercial success. Palestine might be asked to share in these guarantees.

I said that Palestine was keenly interested in the project, as it would benefit its trade and develop the port of Haifa, but we were not in a position to give any financial guarantee. Sir A. Wilson asked whether the construction of the port of Haifa could be included as part of the scheme, and if so whether an area of land could be allocated to the contractors in payment, obtained either voluntarily or by requisition. This had been done at Bombay. I said that some such arrangement might be practicable. I pointed out that the plan of the railway contemplated that it should be continued across the Jordan valley, but that I doubted whether it was worth while to do this. The pipe line might be taken straight across the valley to Haifa, but was there any reason why we should not use the existing railway, viâ Deraa, from some junction in the neighbourhood of Amman, now that, under the Anglo-French Convention, we had the right to run our own trains over that route? Sir A. Wilson was disposed to agree, but said that whoever ran the line from there to Hit would wish to have running rights over the railway Amman–Deraa–Haifa. He was sending a representative to accompany the air-route survey party. After their report was received an estimate of probable cost would be prepared, and he would then submit definite proposals for the whole project, including the port at Haifa.

Appendix 31.—Mandates and Boundaries.

EXTRACT FROM MINUTES OF THE SECOND MEETING OF THE PALESTINE POLITICAL AND MILITARY CONFERENCE.

MARCH 18, 1921.

(For remainder of minutes and composition of Committee see Appendix 17.)

Sir Herbert Samuel raised the question of the Anglo-French boundary under the recent convention (Annexure 1). The article in the treaty stated that a mixed commission consisting of four members, one appointed by the British Government, one by the Government of Palestine, one by the French Government and one of the Syrian Government should be set up within three months of the signature of the treaty. The Commission should actually trace the frontier on the ground. It was of importance that this should be commenced and completed as soon as possible. The local population were now living in a state of suspense which was most unsatisfactory. Moreover, Palestine would be called upon to administer this territory and to pay the cost, and unless the boundary were settled in the near future and the territory occupied by the Palestine Government, the French authorities would meanwhile have collected the revenue, which would involve a corresponding loss to Palestine.

The Chairman concurred, and stated that delay had been caused as no reply had yet been received from the High Commissioner for Mesopotamia to a telegram asking for his views as to whether different commissions should be set up for Palestine and Mesopotamia, or whether one commission should define the frontier for both countries. It appeared that the matter could be very easily settled now that Sir Percy Cox and Sir Herbert Samuel were both present, and he asked that Major Young should discuss the matter with them and formulate proposals. The question of adding clauses to the two mandates (Annexure 2), to cover the administrative arrangements contemplated for Kurdistan and Trans-Jordania should be discussed at the same time. (Telegrams sent and received as a result of these discussions are attached (Annexure 3).)

ANNEXURE 1.

Franco-British Convention of December 23, 1920, on certain points connected with the mandates for Syria and the Lebanon, Palestine and Mesopotamia.

THE British and French Governments, respectively represented by the undersigned Plenipotentiaries, wishing to settle completely the problems raised by the attribution to Great Britain of the mandates for Palestine and Mesopotamia and by the attribution to France of the mandate over Syria and the Lebanon, all three conferred by the Supreme Council at San Remo, have agreed on the following provisions :—

ARTICLE 1.

The boundaries between the territories under the French mandate of Syria and the Lebanon on the one hand and the British mandates of Mesopotamia and Palestine on the other are determined as follows :—

On the east, the Tigris from Jeziret-ibn-Omar to the boundaries of the former vilayets of Diarbekir and Mosul.

On the south-east and south, the aforesaid boundary of the former vilayets southwards as far as Roumelan Koeui; thence a line leaving in the territory under the French mandate the entire basin of the western Kabur and passing in a straight line towards the Euphrates, which it crosses at Abu Kemal, thence a straight line to Imtar to the south of Jebul Druse, then a line to the south of Nasib on the Hedjaz Railway, then a line to Semakh on the Lake of Tiberias, traced to the south of the railway, which descends towards the lake and parallel to the railway. Deraa and its environs will remain in the territory under the French mandate; the frontier will in principle leave the valley of the Yarmuk in the territory under the French mandate, but will be drawn as close as possible to the railway in such a manner as to allow the construction in the valley of the Yarmuk of a railway entirely situated in the territory under the British mandate. At Semakh the frontier will be fixed in such a manner as to allow each of the two High Contracting Parties to construct and establish a harbour and railway station giving free access to the Lake of Tiberias.

On the west, the frontier will pass from Semakh across the Lake of Tiberias to the mouth of the Wadi Massadyie. It will then follow the course of this river upstream, and then the Wadi Jeraba to its source. From that point it will reach the track from El Kuneitra to Banias at the point marked Skek, thence it will follow the said track, which will remain in the territory under the French mandate as far as Banias. Thence the frontier will be drawn westwards as far as Metullah, which will remain in Palestinian territory. This portion of the frontier will be traced in detail in such a manner as to ensure for the territory under the French mandate easy communication entirely within such territory with the regions of Tyre and Sidon, as well as continuity of road communication to the west and to the east of Banias.

From Metullah the frontier will reach the watershed of the valley of the Jordan and the basin of the Litani. Thence it will follow this watershed southwards. Thereafter it will follow in principle the watershed between the Wadis Farah-Houroun and Kerkera, which will remain in the territory under the British mandate, and the Wadis El Doubleh, El Aioun and Es Zerka, which will remain in the territory under the French mandate. The frontier will reach the Mediterranean Sea at the port of Ras-el-Nakura, which will remain in the territory under the French mandate.

ARTICLE 2.

A commission shall be established within three months from the signature of the present convention to trace on the spot the boundary line laid down in article 1 between the French and British mandatory territories. This commission shall be composed of four members. Two of these members shall be nominated by the British and French Governments respectively, the two others shall be nominated, with the consent of the mandatory Power, by the local Governments concerned in the French and British mandatory territories respectively.

In case any dispute should arise in connection with the work of the commission, the question shall be referred to the Council of the League of Nations, whose decision shall be final.

The final reports by the commission shall give the definite description of the boundary as it has been actually demarcated on the ground; the necessary maps shall be annexed thereto and signed by the commission. The reports, with their annexes, shall be made in triplicate; one copy shall be deposited in the archives of the League of Nations, one copy shall be kept by the mandatory, and one by the other Government concerned.

ARTICLE 3.

The British and French Governments shall come to an agreement regarding the nomination of a commission, whose duty it will be to make a preliminary examination of any plan of irrigation formed by the Government of the French mandatory territory, the execution of which would be of a nature to diminish in any considerable degree the waters of the Tigris and Euphrates at the point where they enter the area of the British mandate in Mesopotamia.

ARTICLE 4.

In virtue of the geographic and strategic position of the island of Cyprus, off the Gulf of Alexandretta, the British Government agrees not to open any negotiations for the cession or alienation of the said island of Cyprus without the previous consent of the French Government.

ARTICLE 5.

1. The French Government agrees to facilitate by a liberal arrangement the joint use of the section of the existing railway between the Lake of Tiberias and Nasib. This arrangement shall be concluded between the railway administrations of the areas under the French and British mandates respectively as soon as possible after the coming into force of the mandates for Palestine and Syria. In particular the agreement shall allow the administration in the British zone to run their own trains with their own traction and train crews over the above section of the railway in both directions for all purposes other than the local traffic of the territory under the French mandate. The agreement shall determine at the same time the financial, administrative and technical conditions governing the running of the British trains. In the event of the two administrations being unable to reach an agreement within three months from the coming into force of the two above-mentioned mandates, an arbitrator shall be appointed by the Council of the League of Nations to settle the points as to which a difference of opinion exists and immediate effect shall be given as far as possible to those parts of the agreement on which an understanding has already been reached.

The said agreement shall be concluded for an indefinite period and shall be subject to periodical revision as need arises.

2. The British Government may carry a pipe line along the existing railway track and shall have in perpetuity and at any moment the right to transport troops by the railway.

3. The French Government consents to the nomination of a special commission, which, after having examined the ground, may readjust the above-mentioned frontier line in the valley of the Yarmuk as far as Nasib in such a manner as to render possible the construction of the British railway and pipe line connecting Palestine with the Hedjaz Railway and the valley of the Euphrates, and running entirely within the limits of the areas under the British mandate. It is agreed, however, that the existing railway in the Yarmuk valley is to remain entirely in the territory under the French mandate. The right provided by the present paragraph for the benefit of the British Government must be utilised within a maximum period of ten years.

The above-mentioned commission shall be composed of a representative of the French Government and a representative of the British Government, to whom may be added representatives of the local Governments and experts as technical advisers to the extent considered necessary by the British and French Governments.

4. In the event of the track of the British railway being compelled for technical reasons to enter in certain places the territory under French mandate, the French Government will recognise the full and complete extra-territoriality of the sections thus lying in the territory under the French mandate, and will give the British Government or its technical agents full and easy access for all railway purposes.

5. In the event of the British Government making use of the right mentioned in paragraph 3 to construct a railway in the valley of the Yarmuk, the obligations assumed by the French Government in accordance with paragraphs 1 and 2 of the present article will determine three months after the completion of the construction of the said railway.

6. The French Government agrees to arrange that the rights provided for above for the benefit of the British Government shall be recognised by the local Governments in the territory under the French mandate.

ARTICLE 6.

It is expressly stipulated that the facilities accorded to the British Government by the preceding articles imply the maintenance for the benefit of France of the provisions of the Franco-British Agreement of San Remo regarding oil.

ARTICLE 7.

The French and British Governments will put no obstacle in their respective mandatory areas in the way of the recruitment of railway staff for any section of the Hedjaz Railway.

Every facility will be given for the passage of employees of the Hedjaz Railway over the British and French mandatory areas in order that the working of the said railway may be in no way prejudiced.

The French and British Governments agree, where necessary, and in eventual agreement with the local Governments, to conclude an arrangement whereby the stores and railway material passing from one mandatory area to another and intended for the use of the Hedjaz Railway will not for this reason be submitted to any additional customs dues and will be exempted so far as possible from customs formalities.

ARTICLE 8.

Experts nominated respectively by the Administrations of Syria and Palestine shall examine in common within six months after the signature of the present convention the employment, for the purposes of irrigation and the production of hydro-electric power, of the waters of the Upper Jordan and the Yarmuk and of their tributaries, after satisfaction of the needs of the territories under the French mandate.

In connection with this examination the French Government will give its representatives the most liberal instructions for the employment of the surplus of these waters for the benefit of Palestine.

In the event of no agreement being reached as a result of this examination, these questions shall be referred to the French and British Governments for decision.

To the extent to which the contemplated works are to benefit Palestine, the Administration of Palestine shall defray the expenses of the construction of all canals, weirs, dams, tunnels, pipe lines and reservoirs or other works of a similar nature, or measures taken with the object of reafforestation and the management of forests.

ARTICLE 9.

Subject to the provisions of Articles 15 and 16 of the mandate for Palestine, of Articles 8 and 10 of the mandate for Mesopotamia, and of Article 8 of the mandate for Syria and the Lebanon, and subject also to the general right of control in relation to education and public instruction, of the local Administrations concerned, the British and French Governments agree to allow the schools which French and British nationals possess and direct at the present moment in their respective mandatory areas to continue their work freely; the teaching of French and English will be freely permitted in these schools.

The present article does not in any way imply the right of nationals of either of the two parties to open new schools in the mandatory area of the other.

The present convention has been drawn up in English and French, each of the two texts having equal force.

Done at Paris, the 23rd December, 1920, in a double copy, one of which will remain deposited in the archives of the Government of the French Republic, and the other in those of the Government of His Britannic Majesty.

HARDINGE OF PENSHURST.
G. LEYGUES.

ANNEXURE 2.

Draft of the Mandate for Palestine as submitted by Mr. Balfour on December 7, 1920, to the Secretariat-General of the League of Nations for the approval of the Council of the League of Nations.

THE COUNCIL OF THE LEAGUE OF NATIONS.

Whereas by Article 132 of the Treaty of Peace signed at Sèvres on the day of August, 1920, Turkey renounced in favour of the Principal Allied Powers all rights and title over Palestine; and

Whereas by Article 95 of the said treaty the High Contracting Parties agreed to entrust, by application of the provisions of Article 22, the Administration of Palestine, within such boundaries as might be determined by the Principal Allied Powers, to a Mandatory to be selected by the said Powers; and

Whereas by the same article the High Contracting Parties further agreed that the Mandatory should be responsible for putting into effect the declaration originally made on November 2, 1917, by the Government of His Britannic Majesty, and adopted by the other Allied Powers, in favour of the establishment in Palestine of a national home for the Jewish people, it being clearly understood that nothing should be done which might prejudice the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status enjoyed by Jews in any other country; and

Whereas recognition has thereby been given to the historical connection of the Jewish people with Palestine and to the grounds for reconstituting their National Home in that country; and

Whereas the Principal Allied Powers have selected His Britannic Majesty as the Mandatory for Palestine; and

Whereas the terms of the Mandate in respect of Palestine have been formulated in the following terms and submitted to the Council of the League for approval; and

Whereas His Britannic Majesty has accepted the Mandate in respect of Palestine and undertaken to exercise it on behalf of the League of Nations in conformity with the following provisions;

Hereby approves the terms of the said mandate as follows:—

ARTICLE 1.

His Britannic Majesty shall have the right to exercise as Mandatory all the powers inherent in the Government of a sovereign State, save as they may be limited by the terms of the present Mandate.

ARTICLE 2.

The Mandatory shall be responsible for placing the country under such political, administrative and economic conditions as will secure the establishment of the Jewish national home, as laid down in the preamble, and the development of self-governing institutions, and also for safe-guarding the civil and religious rights of all the inhabitants of Palestine, irrespective of race and religion.

ARTICLE 3.

The Mandatory shall encourage the widest measure of self-government for localities consistent with the prevailing conditions.

ARTICLE 4.

An appropriate Jewish agency shall be recognised as a public body for the purpose of advising and co-operating with the Administration of Palestine in such economic, social and other matters as may affect the establishment of the Jewish national home and the interests of the Jewish population in Palestine, and, subject always to the control of the Administration, to assist and take part in the development of the country.

The Zionist organisation, so long as its organisation and constitution are in the opinion of the Mandatory appropriate, shall be recognised as such agency. It shall take steps in consultation with His Britannic Majesty's Government to secure the co-operation of all Jews who are willing to assist in the establishment of the Jewish national home.

ARTICLE 5.

The Mandatory shall be responsible for seeing that no Palestine territory shall be ceded or leased to, or in any way placed under the control of the Government of any foreign Power.

ARTICLE 6.

The Administration of Palestine, while ensuring that the rights and position of other sections of the population are not prejudiced, shall facilitate Jewish immigration under suitable conditions and shall encourage in co-operation with the Jewish agency referred to in Article 4 close settlement by Jews on the land, including State lands and waste lands not required for public purposes.

ARTICLE 7.

The Administration of Palestine will be responsible for enacting a nationality law. There shall be included in this law provisions framed so as to facilitate the acquisition of Palestinian citizenship by Jews who take up their permanent residence in Palestine.

ARTICLE 8.

The immunities and privileges of foreigners, including the benefits of consular jurisdiction and protection as formerly enjoyed by Capitulation or usage in the Ottoman Empire, are definitely abrogated in Palestine.

ARTICLE 9.

The Mandatory shall be responsible for seeing that the judicial system established in Palestine shall safeguard (*a*) the interests of foreigners; (*b*) the law, and (to the extent deemed expedient) the jurisdiction now existing in Palestine with regard to questions arising out of the religious beliefs of certain communities (such as the laws of Wakf and personal status). In particular the Mandatory agrees that the control and administration of Wakfs shall be exercised in accordance with religious law and the dispositions of the founders.

ARTICLE 10.

Pending the making of special extradition agreements relating to Palestine, the extradition treaties in force between the Mandatory and other foreign Powers shall apply to Palestine.

ARTICLE 11.

The Administration of Palestine shall take all necessary measures to safeguard the interests of the community in connection with the development of the country and, subject to Article 311 of the Treaty of Peace with Turkey, shall have full power to provide for public ownership or control of any of the natural resources of the country or of the public works, services and utilities established or to be established

therein. It shall introduce a land system appropriate to the needs of the country, having regard, among other things, to the desirability of promoting the close settlement and intensive cultivation of the land.

The Administration may arrange with the Jewish agency mentioned in Article 4 to construct or operate, upon fair and equitable terms, any public works, services and utilities, and to develop any of the natural resources of the country, in so far as these matters are not directly undertaken by the Administration. Any such arrangements shall provide that no profits distributed by such agency, directly or indirectly, shall exceed a reasonable rate of interest on the capital, and any further profits shall be utilised by it for the benefit of the country in a manner approved by the Administration.

ARTICLE 12.

The Mandatory shall be entrusted with the control of the foreign relations of Palestine, and the right to issue exequaturs to consuls appointed by foreign Powers. It shall also be entitled to afford diplomatic and consular protection to citizens of Palestine when outside its territorial limits.

ARTICLE 13.

All responsibility in connection with the Holy Places and religious buildings or sites in Palestine, including that of preserving existing rights, of securing free access to the Holy Places, religious buildings and sites and the free exercise of worship, while ensuring the requirements of public order and decorum, is assumed by the Mandatory, who will be responsible solely to the League of Nations in all matters connected therewith: provided that nothing in this Article shall prevent the Mandatory from entering into such arrangement as he may deem reasonable with the Administration for the purpose of carrying the provisions of this Article into effect; and provided also that nothing in this Mandate shall be construed as conferring upon the Mandatory authority to interfere with the fabric or the management of purely Moslem sacred shrines, the immunities of which are guaranteed.

ARTICLE 14.

In accordance with Article 95 of the Treaty of Peace with Turkey, the Mandatory undertakes to appoint as soon as possible a special Commission to study and regulate all questions and claims relating to the different religious communities. In the composition of this Commission the religious interests concerned will be taken into account. The chairman of the Commission will be appointed by the Council of the League of Nations. It will be the duty of this Commission to ensure that certain Holy Places, religious buildings or sites regarded with special veneration by the adherents of one particular religion, are entrusted to the permanent control of suitable bodies representing the adherents of the religion concerned. The selection of the Holy Places, religious buildings or sites so to be entrusted, shall be made by the Commission, subject to the approval of the Mandatory.

In all cases dealt with under this Article, however, the right and duty of the Mandatory to maintain order and decorum in the place concerned shall not be affected, and the buildings and sites will be subject to the provisions of such laws relating to public monuments as may be enacted in Palestine with the approval of the Mandatory.

The rights of control conferred under this Article will be guaranteed by the League of Nations.

ARTICLE 15.

The Mandatory will see that complete freedom of conscience and the free exercise of all forms of worship, subject only to the maintenance of public order and morals, is ensured to all. No discrimination of any kind shall be made between the inhabitants of Palestine on the ground of race, religion or language. No person shall be excluded from Palestine on the sole ground of his religious belief.

The right of each community to maintain its own schools for the education of its own members in its own language (while conforming to such educational requirements of a general nature as the Administration may impose) shall not be denied or impaired.

ARTICLE 16.

The Mandatory shall be responsible for exercising such supervision over missionary enterprise in Palestine as may be required for the maintenance of public order and good government. Subject to such supervision, no measures shall be taken in Palestine to obstruct or interfere with such enterprise or to discriminate against any missionary on the ground of his religion or nationality.

ARTICLE 17.

The Administration of Palestine may organise on a voluntary basis the forces necessary for the preservation of peace and order, and also for the defence of the country, subject, however, to the supervision of the Mandatory, who shall not use them for purposes other than those above specified save with the consent of the Administration of Palestine, and except for such purposes, no military, naval or air forces shall be raised or maintained by the Administration of Palestine.

Nothing in this Article shall preclude the Administration of Palestine from contributing to the cost of the maintenance of forces maintained by the Mandatory in Palestine.

The Mandatory shall be entitled at all times to use the roads, railways and ports of Palestine for the movement of troops and the carriage of fuel and supplies.

ARTICLE 18.

The Mandatory must see that there is no discrimination in Palestine against the nationals of any of the States members of the League of Nations (including companies incorporated under their laws) as compared with those of the Mandatory or of any foreign State in matters concerning taxation, commerce, or navigation, the exercise of industries or professions, or in the treatment of ships or aircraft. Similarly, there shall be no discrimination in Palestine against goods originating in or destined for any of the said States, and there shall be freedom of transit under equitable conditions across the mandated area.

Subject as aforesaid and to the other provisions of this Mandate the Administration of Palestine may on the advice of the Mandatory impose such taxes and customs duties as it may consider necessary, and take such steps as it may think best to promote the development of the natural resources of the country and to safeguard the interests of the population.

Nothing in this Article shall prevent the Government of Palestine on the advice of the Mandatory from concluding a special customs agreement with any State, the territory of which in 1914 was wholly included in Asiatic Turkey or Arabia.

ARTICLE 19.

The Mandatory will adhere on behalf of the Administration to any general international conventions already existing or that may be concluded hereafter with the approval of the League of Nations respecting the slave traffic, the traffic in arms and ammunition, or the traffic in drugs, or relating to commercial equality, freedom of transit and navigation, aerial navigation and postal, telegraphic and wireless communication or literary, artistic or industrial property.

ARTICLE 20.

The Mandatory will co-operate on behalf of the Administration of Palestine, so far as religious, social and other conditions may permit, in the execution of any common policy adopted by the League of Nations for preventing and combating disease, including diseases of plants and animals.

ARTICLE 21.

The Mandatory will secure, within twelve months from the date of the coming into force of this Mandate, the enactment, and will ensure the execution of a Law of Antiquities based on the provisions of Article 421 of Part XIII of the Treaty of Peace with Turkey. This law shall replace the former Ottoman Law of Antiquities, and shall ensure equality of treatment in the matter of archæological research to the nationals of all States, members of the League of Nations.

ARTICLE 22.

English, Arabic and Hebrew shall be the official languages of Palestine. Any statement or inscriptions in Arabic on stamps or money in Palestine shall be repeated in Hebrew and any statements or inscriptions in Hebrew shall be repeated in Arabic.

ARTICLE 23.

The Administration of Palestine shall recognise the holy days of the respective communities in Palestine as legal days of rest for the members of such communities.

ARTICLE 24.

The Mandatory shall make to the Council of the League of Nations an annual report as to the measures taken during the year to carry out the provisions of the Mandate. Copies of all laws and regulations promulgated or issued during the year shall be communicated with the report.

ARTICLE 25.

If any dispute whatever should arise between the members of the League of Nations relating to the interpretation or the application of these provisions which cannot be settled by negotiation, this dispute shall be submitted to the Permanent Court of International Justice provided for by Article 14 of the Covenant of the League of Nations.

ARTICLE 26.

The consent of the Council of the League of Nations is required for any modification of the terms of the present Mandate, provided that in the case of any modification proposed by the Mandatory, such consent may be given by a majority of the Council.

ARTICLE 27.

In the event of the termination of the Mandate conferred upon the Mandatory by this Declaration, the Council of the League of Nations shall make such arrangements as may be deemed necessary for safeguarding in perpetuity, under guarantee of the League, the rights secured by Articles 13 and 14, and for securing, under the guarantee of the League, that the Government of Palestine will fully honour the financial obligations, legitimately incurred by the Administration of Palestine during the period of the Mandate.

The present copy shall be deposited in the archives of the League of Nations and certified copies shall be forwarded by the Secretary-General of the League of Nations to all Powers Signatories of the Treaty of Peace with Turkey.

Made at the day of

Draft of the Mandate for Mesopotamia as submitted by Mr. Balfour on December 7, 1920, to the Secretariat-General of the League of Nations for the approval of the Council of the League of Nations.

THE COUNCIL OF THE LEAGUE OF NATIONS.

Whereas by Article 132 of the Treaty of Peace signed at Sèvres on the tenth tenth day of August, 1920, Turkey renounced in favour of the Principal Allied Powers all rights and title over Mesopotamia, and whereas by Article 94 of the said treaty the High Contracting Parties agreed that Mesopotamia should, in accordance with the fourth paragraph of Article 22 of Part I (Covenant of the League of Nations), be provisionally recognised as an independent State, subject to the rendering of administrative advice and assistance by a Mandatory until such time as it is able to stand alone, and that the determination of the frontiers of

Mesopotamia, other than those laid down in the said treaty, and the selection of the Mandatory would be made by the Principal Allied Powers; and

Whereas the Principal Allied Powers have selected His Britannic Majesty as Mandatory for Mesopotamia; and

Whereas the terms of the Mandate in respect of Mesopotamia have been formulated in the following terms and submitted to the Council of the League for approval; and

Whereas His Britannic Majesty has accepted the Mandate in respect of the said territories and undertaken to exercise it on behalf of the League of Nations in conformity with the following provisions;

Hereby approves the terms of the said Mandate as follows:—

ARTICLE 1.

The Mandatory will frame within the shortest possible time, not exceeding three years from the date of the coming into force of this Mandate, an Organic Law for Mesopotamia. This Organic Law shall be framed in consultation with the native authorities, and shall take account of the rights, interests and wishes of all the populations inhabiting the mandated territory. It shall contain provisions designed to facilitate the progressive development of Mesopotamia as an independent State. Pending the coming into effect of the organic law, the administration of Mesopotamia shall be conducted in accordance with the spirit of this Mandate.

ARTICLE 2.

The Mandatory may maintain troops in the territories under his Mandate for the defence of these territories. Until the entry into force of the Organic Law and the re-establishment of public security, he may organise and employ local forces necessary for the maintenance of order and for the defence of these territories. Such forces may only be recruited from the inhabitants of the territories under the Mandate.

The said local forces shall thereafter be responsible to the local authorities, subject always to the control to be exercised over these forces by the Mandatory, who shall not employ them for other than the above-mentioned purposes, except with the consent of the Mesopotamian Government.

Nothing in this article shall preclude the Mesopotamian Government from contributing to the cost of the maintenance of any forces maintained by the Mandatory in Mesopotamia.

The Mandatory shall be entitled at all times to use the roads, railways, and ports of Mesopotamia for the movement of troops and the carriage of fuel and supplies.

ARTICLE 3.

The Mandatory shall be entrusted with the control of the foreign relations of Mesopotamia, and the right to issue exequaturs to consuls appointed by foreign Powers. It shall also be entitled to afford diplomatic and consular protection to citizens of Mesopotamia when outside its territorial limits.

ARTICLE 4.

The Mandatory shall be responsible for seeing that no Mesopotamian territory shall be ceded or leased to or in any way placed under the control of the Government of any foreign Power.

ARTICLE 5.

The immunities and privileges of foreigners, including the benefits of consular jurisdiction and protection as formerly enjoyed by Capitulation or usage in the Ottoman Empire, are definitely abrogated in Mesopotamia.

ARTICLE 6.

The Mandatory shall be responsible for seeing that the judicial system established in Mesopotamia shall safeguard (*a*) the interests of foreigners; (*b*) the law, and (to the extent deemed expedient) the jurisdiction now existing in Mesopotamia with

regard to questions arising out of the religious beliefs of certain communities (such as the laws of Wakf and personal status). In particular the Mandatory agrees that the control and administration of Wakfs shall be exercised in accordance with religious law and the dispositions of the founders.

ARTICLE 7.

Pending the making of special extradition agreements with foreign Powers relating to Mesopotamia, the extradition treaties in force between foreign Powers and the Mandatory shall apply to Mesopotamia.

ARTICLE 8.

The Mandatory will ensure to all complete freedom of conscience and the free exercise of all forms of worship, subject only to the maintenance of public order and morals. No discrimination of any kind shall be made between the inhabitants of Mesopotamia on the ground of race, religion or language. Instruction in and through the medium of the native languages of Mesopotamia shall be promoted by the Mandatory.

The right of each community to maintain its own schools for the education of its own members in its own language (while conforming to such educational requirements of a general nature as the Administration may impose) shall not be denied or impaired.

ARTICLE 9.

Nothing in this Mandate shall be construed as conferring upon the Mandatory authority to interfere with the fabric or the management of the sacred shrines, the immunities of which are guaranteed.

ARTICLE 10.

The Mandatory shall be responsible for exercising such supervision over missionary enterprise in Mesopotamia as may be required for the maintenance of public order and good government. Subject to such supervision, no measures shall be taken in Mesopotamia to obstruct or interfere with such enterprise or to discriminate against any missionary on the ground of his religion or nationality.

ARTICLE 11.

The Mandatory must see that there is no discrimination in Mesopotamia against the nationals of any State member of the League of Nations (including companies incorporated under the laws of such State) as compared with the nationals of the Mandatory or of any foreign State in matters concerning taxation, commerce or navigation, the exercise of industries or professions, or in the treatment of ships or aircraft. Similarly, there shall be no discrimination in Mesopotamia against goods originating in or destined for any of the said States, and there shall be freedom of transit under equitable conditions across the mandated area.

Subject as aforesaid the Mesopotamian Government may on the advice of the Mandatory impose such taxes and customs duties as it may consider necessary and take such steps as it may think best to promote the development of the natural resources of the country and to safeguard the interests of the population.

Nothing in this Article shall prevent the Mesopotamian Government on the advice of the Mandatory, from concluding a special customs arrangement with any State, the territory of which in 1914 was wholly included in Asiatic Turkey or Arabia.

ARTICLE 12.

The Mandatory will adhere on behalf of Mesopotamia to any general international conventions already existing or that may be concluded hereafter with the approval of the League of Nations respecting the slave traffic, the traffic in arms and ammunition, and the traffic in drugs, or relating to commercial equality, freedom of transit and navigation, laws of aerial navigation, railways and postal, telegraphic and wireless communication, or artistic, literary or industrial property.

ARTICLE 13.

The Mandatory will secure the co-operation of the Mesopotamian Government, so far as social, religious and other conditions may permit, in the execution of any common policy adopted by the League of Nations for preventing and combating disease, including diseases of plants and animals.

ARTICLE 14.

The Mandatory will secure the enactment within twelve months from the coming into force of this Mandate, and will ensure the execution of a Law of Antiquities, based on the contents of Article 421 of Part XIII of the Treaty of Peace with Turkey. This law shall replace the former Ottoman Law of Antiquities, and shall ensure equality of treatment in the matter of archæological research to the nationals of all States, members of the League of Nations.

ARTICLE 15.

Upon the coming into force of the Organic Law an arrangement shall be made between the Mandatory and the Mesopotamian Government for settling the terms on which the latter will take over Public Works and other services of a permanent character, the benefit of which will pass to the Mesopotamian Government. Such arrangement shall be communicated to the Council of the League of Nations.

ARTICLE 16.

The Mandatory shall make to the Council of the League of Nations an annual report as to the measures taken during the year to carry out the provisions of the Mandate. Copies of all laws and regulations promulgated or issued during the year shall be communicated with the report.

ARTICLE 17.

The consent of the Council of the League of Nations is required for any modification of the terms of the present Mandate, provided that in the case of any modification proposed by the Mandatory such consent may be given by a majority of the Council.

If any dispute whatever should arise between the members of the League of Nations relating to the interpretation or the application of these provisions which cannot be settled by negotiation, this dispute shall be submitted to the Permanent Court of International Justice provided for by Article 14 of the Covenant of the League of Nations.

The present copy shall be deposited in the archives of the League of Nations. Certified copies shall be forwarded by the Secretary-General of the League of Nations to all Powers Signatories of the Treaty of Peace with Turkey.

Made at the day of

ANNEXURE 3 (*a*).

PARAPHRASE OF TELEGRAM FROM MR. CHURCHILL TO THE COLONIAL OFFICE.

(Received 4·45 P.M., March 21, 1921.)

No. YZ 86. You will have gathered from private telegrams I am contemplating establishment of local administrations in Kurdistan and Trans-Jordania under authority of respective High Commissioners on somewhat different lines from those to be established in Mesopotamia and Palestine. It has been questioned here whether or not these proposals will necessitate any special provisions being made in respective mandates. For example, in article 1 of Mesopotamia mandate framing

of an organic law is provided for, and throughout mandate local authority is thence-forward referred to as Mesopotamian Government. As regards Palestine, articles 6 and 22 appear to present legal difficulties, as if my proposals are accepted certain of their provisions are inapplicable to Trans-Jordania. Two High Commissioners with whom I have discussed question agree that it would be preferable in mandates themselves to make no reference at all to Kurdistan or Trans-Jordania. If it is absolutely necessary from a legal point of view that slight inconsistencies in our treatment of these areas should be authorised they consider it would be better to specify areas affected without referring in detail to proposed difference in treatment. Please let me know without delay after consultation with legal advisers of Colonial Office and Foreign Office (1) whether any modification in terms of mandates is considered indispensable; (2) whether it would be possible to add to each mandate a general clause leaving it to discretion of mandatory to interpret mandate in accordance with local conditions in specified areas.—CHURCHILL.

ANNEXURE 3 (*b*).

PARAPHRASE OF TELEGRAM FROM THE COLONIAL OFFICE TO MR. CHURCHILL, CAIRO.

(Sent 11·30 A.M., March 25, 1921.)

The following is from Shuckburgh. Your telegram of the 21st March No. YZ 86. Mandates for Mesopotamia and Palestine in relation to Kurdistan and Trans-Jordania. Informal consultation has taken place between Colonial Office Legal Adviser and Assistant Legal Adviser to Foreign Office. On the assumption that the arrangements for Kurdistan sanctioned by Cabinet in Foreign Office telegram No. 193 to Cairo stand, and that provision is made in some way in final political arrangements as regards Trans-Jordania for its inclusion within the boundaries of Palestine as eventually fixed, but under a form of administration different from that of Palestine, however undesirable it may be for His Majesty's Government themselves to propose alterations of the mandates at this stage, they were inclined to view that when the "A" mandates come to be considered by the Council of the League it would be wise in this case to propose to that body the insertion in the Mesopotamian and Palestine mandates respectively of the following clauses :—

1. (To be inserted after article 15 of the Mesopotamian mandate) :—

"Nothing in this mandate shall prevent the mandatory from establishing such an autonomous system of administration for the predominantly Kurdish areas in the northern portion of Mesopotamia as he may consider suitable."

2. (To be inserted after article 24 of the Palestine mandate) :—

"In the territories lying between the Jordan and the eastern boundary of Palestine as ultimately determined, the mandatory shall be entitled to postpone or withhold application of such provisions of this mandate as he may consider inapplicable to the existing local conditions, and to make such provision for the administration of the territories as he may consider suitable to those conditions, provided no action shall be taken which is inconsistent with the provisions of articles 15, 16 and 18."

These proposals have been made in an official letter to the Foreign Office, but we shall not get a reply until after the Easter holidays, as Lord Curzon is away. Meanwhile, you may wish to discuss suggestions informally with Sir Herbert Samuel.

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ANNEXURE 3 (*c*).

PARAPHRASE OF TELEGRAM FROM MR. CHURCHILL, CAIRO, TO THE COLONIAL OFFICE. DATED MARCH 19.

(Received Colonial Office 8·45 P.M., March 19, 1921.)

No. YZ 75. Clear the line. Addressed to Mr. Shuckburgh.

Article 2 of Franco-British Convention has been discussed between two High Commissioners and myself. Please approach Foreign Office on following lines as soon as possible :—

Mesopotamian section cannot be delimited till after hot weather, and we therefore wish delimitation to begin from Palestine end. The question of changing the personnel when the Palestine section is finished by Commission can be considered later, but it should be mentioned to French now as a possibility. High Commissioner, Palestine, is prepared for Commission to work as far as Imtar. I presume that article 29 of Treaty of Sèvres, though it does not actually apply to work of this Commission, will govern the conditions of delimitation and should be glad if French could be asked to agree. Strength of staff will presumably be decided by Foreign Office, as expenses will be borne by them. Provisions of article 2 of convention would appear to be sufficiently met if name of British Commissioner is communicated to the French before the 23rd March. Until I know my proposed policy for Eastern Palestine is approved, I cannot suggest names to be nominated by Palestine Administration. The name of Colonel Waters Taylor is suggested for head of Commission unless a better alternative can be suggested by Foreign Office or War Office, in which case I should like to be consulted before nomination is actually made. Important qualifications are knowledge of French, possibly also of Arabic, knowledge of local conditions and friendly relations with the French.—CHURCHILL.

ANNEXURE 3 (*d*).

PARAPHRASE OF TELEGRAM FROM MR. CHURCHILL, CAIRO.

(Received at Colonial Office 11·30 A.M., March 21, 1921.)

Clear the line.
No. YZ 85.
In continuation of my No. YZ 75.
Franco-British Commission.

I am strongly of opinion that best ends of both Governments will be served if French Government will agree to appoint an individual as their commissioner who is on good terms with us and is prepared to be accommodating. You should represent this to Foreign Office. High Commissioner, Palestine, has suggested to me the name of Colonel Nieger, or, failing him, of Colonel de Meru.

Appendix 32.—Hedjaz Railway.

EXTRACT FROM MINUTES OF THE SECOND MEETING OF THE PALESTINE POLITICAL AND MILITARY CONFERENCE.

MARCH 18, 1921.

(For remainder of minutes and composition of Committee see Appendix 17.)

Sir Herbert Samuel raised the question of the control of the Hedjaz railway. He stated that at present it was being managed by the British from Haifa to

Semakh, from whence to Deraa the French had control, but we had the right under the Anglo-French Convention to despatch trains over that section of the line and on to Nasif. It would be quite possible to supply troops at Amman by this means, though he felt that, in existing circumstances, and until our troops were there, it would be unwise to run trains along that route, as it would be possible for the Arabs to seize the rolling-stock and utilise it against the French. All that was required was some authority to organise the traffic on the railway as far as Amman, and he suggested that this might be vested in a joint board of French and British officials. Having once commenced a satisfactory service to Amman it was highly desirable that the remainder of the line to Medina should be opened up by arrangement with the Hedjaz.

In reply to a question by the Chairman, *Colonel Lawrence* stated that this would raise the question of the frontier between the Hedjaz and Palestine, and although he agreed that it was desirable that the route should be reopened to assist the pilgrimage to Mecca, he pointed out that the section of the line south of Deraa had never been a paying concern. The profits had been made on the Damascus–Haifa section.

Major Young agreed with Sir Herbert Samuel that the formation of a joint board would be the best solution, and that it was for us to take the initiative, though he did not think it desirable to approach the Hedjaz until some arrangement had been made as to the control of the Nasib–Amman section. He noted that General Congreve, in contemplating the despatch of troops to Amman, had not counted upon their departure being held up by reason of the delay in supplying them by train.

The Chairman observed that the question was very closely linked up with the subsidy to King Hussein, as a large pilgrimage by the railway route would increase the King's revenue and the necessity for a grant from us would be correspondingly reduced.

RECOMMENDATIONS OF A MEETING HELD AT GOVERNMENT HOUSE, TUESDAY, MARCH 29, 1921, TO DISCUSS THE HEDJAZ RAILWAY.

Present:

Civil Secretary.
Colonel Lawrence.
Major Young.
Colonel Holmes.
Major the Hon. F. R. Somerset.
Kaimakam Peake.
Mr. Richmond.

1. The Hedjaz railway being constituted as a single Wakf, and comprising the lines from Damascus to Medina and from Haifa to Deraa should be treated as a single administration.

2. In view of the fact that by article 360 of the Treaty of Peace with Turkey, the Turkish Government abandons whatever rights it possesses over the Hedjaz railway and in any arrangements to be made for the railway by the Governments concerned, the special position of the railway from the religious point of view is to be fully recognised and safeguarded, we consider that as far as the territories subject to a British and French mandate are concerned, the general supervision of the line should be entrusted to Moslem representatives from those territories.

3. There should be a board of control, which would meet at Deraa, composed of two Moslem representatives from each of the Governments through whose territories the line passes, *i.e.*, two each from the territories subject to the British and French mandate and from the Hedjaz.

4. In view of the financial considerations advanced by Colonel Holmes, we consider it inadvisable at present to remove the workshops and head offices of the Hedjaz railway from Damascus to Deraa.

5. The management of the line should be vested in three managers, one appointed by each of the three Governments concerned.

In the event of differences of opinion, an appeal will lie to the Government or Governments concerned.

6 The managers should be responsible in respect of the disposal and distribution of the property of the railway to the board of control, in respect of management (running of trains, &c.), to their own Government.

The board shall meet once a quarter and the three managers concerned should attend the meetings in an advisory capacity.

7. All rolling-stock belonging to the Hedjaz railway, and now used on other lines, should be returned to the Hedjaz railway.

8. *Finance.*—It is understood that in 1914 the Hedjaz railway, on a capital of six millions invested in the railway itself, paid 3½ per cent.

The remunerative portions of the line are between Haifa and Damascus and between Deraa and Amman.

We consider that the finances of the Hedjaz line must be treated as a whole, and that the allocation of revenue and expenditure be decided by the board of control, subject to the approval of the Governments concerned, and in accordance with the conditions of the Wakf.

9. Further, we suggest that there should be one auditor for the whole line, nominated by the board of control and approved by the three Governments.

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CONFIDENTIAL

CORRESPONDENCE

[February, 1921—March, 1924.]

RELATING TO THE

FINANCIAL POSITION OF 'IRAQ.

COLONIAL OFFICE,
March, 1925.

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RELATING TO THE

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COLONIAL OFFICE,
March, 1925.

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2 To the High Commissioner Telegram ... ... March 1	Notifies the bringing of a draft Postal Agreement providing for direct settlement of money order transactions between the United Kingdom and Mesopotamia which should be signed if possible by Sir P. Cox at Cairo, and outlines course to be adopted when dealing with Mesopotamia—United Kingdom and Mesopotamia—India transactions 1
3 India Office ... ... March 10	Transmits copies of telegraphic correspondence with Indian Government respecting postal remittance claims by that Government against the Mesopotamia Government, and gives particulars of amounts due. Refers to future arrangements and asks that Mesopotamian Government may be pressed to confirm the Indian Government's figures for 1919-20 and April to October, 1920 2
4 Mr. C. H. Kisch (India Office) to Mr. J. E. Shuckburgh (Colonial Office) ... ... April 14	Transmits, with reference to previous correspondence on the subject of finance, copy of letter sent to Treasury enclosing copy of telegram from Viceroy, Finance Department, and asks for consideration on points involved 7
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51 Mr. D. A. Barker (India Office) to Mr. R. V. Vernon (Colonial Office) September 18	With reference to Iraq money order transactions 1920-21, appends statement showing sterling amounts charged against War Office during period April, 1920—March, 1921 43
52 To the High Commissioner Telegram, 391 September 16	Considers it desirable to reduce to minimum direct payments by India on behalf of Iraq, and requests that arrangements be made for Iraq agent at Bombay to make all possible payments in India. Asks whether assumption that Iraq accounts for 1919-20 have been forwarded to India is correct, and, if so, when and to whom they were forwarded 43
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54 Mr. Vernon (Colonial Office) to Mr. Kisch (India Office) ... September 20	Replies to No. 51, giving results of calculations made, but stating that no payment on account can be made until amount is confirmed and Treasury authority obtained 44
55 The High Commissioner Telegram, 510 September 21 (Rec. Sept. 21)	Agrees that payment from India on Iraq account should be reduced to minimum, but points out that " family allotment system " is continued only at express desire of India. States that the 1919-20 accounts were not forwarded to India whose responsibility ceased on 31st March, 1919 44
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57 India Office ... ... October 3	Transmits copy of further correspondence on the subject of money order arrears between India and Iraq, and proposes to send Mr. Mitra (of India) and Mr. Baxter (of India Office) to Baghdad to confer with Mr. Vernon; requests that High Commissioner and Mr. Vernon may be notified accordingly by telegraph ... 46
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69	To the High Commissioner Telegram, 453	October 18	Requests telegraphic information regarding net amounts drawn on India other than by remittances through Posts and Telegraphs, and also amounts issued by civil and military authorities, for the year 1919-20, giving details month by month in each case 53
70	India Office	November 2	Transmits copy of a telegram from Mr. Baxter at Baghdad summarizing the position as regards Mesopotamian accounts 54
71	The High Commissioner Telegram, 656	November 9 (Rec. Nov. 10)	States with regard to the settlement of Iraq liability for rupee foreign money order from 1st April, 1921, to date of introduction of formal agreement, that Iraq Government prefers settlement on sterling basis month by month through Colonial Office rather than cash payments in India 55
72	The High Commissioner Telegram 663	November 12 (Rec. Nov. 13)	States that Indian Government's claim in respect of money orders 1920-21 is accepted as approximately correct, subject to adjustment of small differences aggregating £200 55
73	The High Commissioner Telegram, 664	November 12 (Rec. Nov. 14)	Submits explanation of the difference between 1920-21 figures for net sale proceeds money orders as communicated in No. 68, and the sterling liability now accepted 55
74	Inter-departmental Conference on Expenditure on Defence	November 22	Minutes of meeting 56
75	The High Commissioner Telegram, 688	November 18 (Rec. Nov. 23)	Gives summary of ways and means position of Iraq until the end of the year 1920-21 as prepared by Mr. Mitra, and states that the figures are still approximate ... 57
76	Treasury	November 24	Transmits copy of correspondence with India Office relative to settlement of money order transactions of 1920 and 1921, and presumes that reply to Treasury letter relating to provision of funds in Iraq as a working balance will be deferred until investigations of Major Young and Mr. Armitage Smith have been completed 62

Serial No., From or to whom, Despatch No., &c., and Date.			Subject and Page No.
		1921	
77	The High Commissioner Telegram, 713	November 24 (Rec. Nov. 24)	Agrees to proposal contained in No. 80 and trusts that Secretary of State will support it 62
78	To the High Commissioner Telegram, 543	November 28	States that, according to details conveyed in No. 75, Iraq cash balance at 31st March, 1921, should be 134 lakhs and not 121 lakhs as indicated; requests explanation of apparent discrepancy 63
79	India Office ...	November 29	Transmits copy of correspondence with Government of India from which it appears that delay on part of Indian authorities in presenting claims against Iraq on account of miscellaneous transactions is due largely to changes in control and responsibility amongst connected Departments of His Majesty's Government, and consequent uncertainty regarding the accounts in which these claims should be included 63
80	War Office ...	November 30	Transmits copies of two letters from General Officer Commanding Iraq, forwarding proposals for adjustment of outstanding claims between civil and military authorities for the period to 31st May, 1921 ... 65
81	To Treasury ...	December 17	Is prepared to recommend adoption of arrangements suggested in No. 74, and requests Treasury approval of these arrangements at an early date 68
82	To Treasury ...	December 19	Transmits copies of No. 77 and enclosure 1 in No. 80 with observations on the latter 68
83	To War Office ...	December 19	Transmits copy of No. 82 69
		1922	
84	Inter-Departmental Conference held to consider (1) India's claim in respect of funds supplied to Iraq for the period to 31st March, 1921. (2) Iraq's deficit at 31st March, 1921 ...	... January 4	Notes of Conference 69
85	Treasury ...	January 12	Approves arrangements recommended in No. 74, on the understanding that they will apply to 1922-23 only and will be subject to further review 74
86	To the High Commissioner Telegram, 19 ...	January 18	Indicates points on which further information is required before the supplementary estimate for civil deficit can be prepared 74
87	India Office ...	January 19	Transmits copy of a telegram from Government of India shewing the sum due in respect of money order transactions for April-May, 1921, and requests that this sum may be repaid to India Office 75
88	India Office ...	January 21	Transmits statement setting forth total amount of claims by Indian Goverment in respect of money order transactions, together with a statement showing how the claims are divisible between Colonial Office and War Office, and requests that Colonial Office will obtain necessary authority for early settlement of these claims 75
89	The High Commissioner 158 ...	...December 8, 1921 (Rec. Jan. 24, 1922)	Requests that sums of £45,079 3s. 4d. and £97,290 6s. 5½d. may be paid to India Office in respect of money order transactions during April and May, 1921 78
90	The High Commissioner Telegram, 54 ...	January 24 (Rec. Jan. 30)	Submits explanation of apparent discrepancy in No. 75 requested in No. 78 80

Serial No., From or to whom, Despatch No., &c., and Date.			Subject and Page No.	
		1922		
91	War Office ...	...February 1	States that the Army Council are prepared to authorize payment of £860,000 out of Army funds for adjustment of outstanding claims, subject to conditions indicated, and inquires whether Colonial Office concurs	81
92	The High Commissioner Telegram, 90 ...	February 3 (Rec. Feb. 7)	Replies to points raised in No. 86	81
93	India Office ...	February 10	States, with reference to No. 87, that payment of £142,369 9s. 9d. has not yet been received	82
94	To the War Office	February 25	Concurs in proposals contained in No. 91, and gives instructions regarding payment of sum in question ...	82
95	Treasury ...	February 28	Indicates arrangements proposed for provision of necessary funds for settlement of India Office claim. Encloses copy of a letter to India Office together with a copy of the calculations of the amounts provided in Supplementary Estimates. States that, in the light of information available, Treasury is not prepared to sanction provision of a working balance to Iraq Government from Imperial funds	83
96	To the High Commissioner Telegram, 129 ...	March 1	Reviews financial position both from Imperial and Iraq points of view, and requests information on points indicated	86
97	To India Office	March 4	Gives details of manner in which it is proposed to effect adjustment of Government of India's claim in respect of funds supplied to Civil Administration of Iraq up to 31st March, 1921	86
98	To the High Commissioner Telegram, 141... ...	March 4	States, with reference to No. 89, that arrangements be made for Iraq to effect settlement with India direct	87
99	India Office	March 6	States that amount of Government of India's claim is now £3,490,000 plus Rs.85 lakhs, and that payment of this amount will be accepted subject to necessary adjustments regarding which an assurance has been given to Treasury. Understands that immediate payment of part of the claims as specified can be made, and assumes that £1,979,000, representing "Iraq deficit" plus "Loss of exchange," will be paid as soon as the requisite supplementary vote has been obtained	88
100	Air Ministry	March 7	Transmits copy of correspondence with War Office and Treasury regarding division of charges between Army and Air Estimates for Garrison of Iraq and Palestine in 1922-23	89
101	To India Office	March 7	Explains, in reply to No. 93, why it is not possible to authorise payment of sum in question from funds available for Imperial Services in Iraq; states that High Commissioner has been instructed to effect a settlement with India direct	91
102	Treasury	March 8	Transmits copy of a letter to Air Ministry relative to the accounting arrangements to be made in respect of troops employed in Iraq and Palestine after the respective dates of transfer to Air Force control, and authorises pay of Indian troops being charged direct to subhead "A" of Middle Eastern vote subject to Colonial Office concurrence	92
103	To the High Commissioner Telegram, 158 ...	March 10	Desires early information regarding balance of Post accounts on 31st March, 1921, and as to what amount was included on account of outstanding claims against military	93

Serial No., From or to whom, Despatch No., &c., and Date.			Subject and Page No.	
		1922		
104	To the High Commissioner 167	March 10	Transmits, with observations, copies of correspondence on the subject of the deficit of the Civil Administration of Iraq at 31st March, 1921, showing payments made on this account during the month current ...	93
105	To the High Commissioner Telegram, 171 ...	March 14	Requests immediate reply to Part C. in No. 96, particularly regarding payment of 121 lakhs; and asks whether difference between 36 lakhs and (a) plus (b) can be remitted before 31st March	95
106	The High Commissioner 133	February 23 (Rec. Mar. 21)	Requests that sum of £123,178 2s. 6d. be paid to India Office on demand, in settlement of account of money order transactions for June, 1921	95
107	To Air Ministry ...	March 21	Requests concurrence in procedure proposed in paragraph 3 of No. 85 before addressing India Office ...	96
108	To the High Commissioner Telegram, 197 ...	March 21	Acknowledges No. 89 and regrets, for reason stated, that it is not possible to pay the sum in question in sterling here. Requests to be informed by telegraph whether total sum involved can be remitted direct to India or to Crown Agents before 31st March	96
109	India Office	March 24	Trusts, in view of the considerations indicated, that authority for payment in sterling before 31st March of claims in respect of money order transactions for April, May, June and July will be given, and requests observations on proposal that Iraq's drawings should be limited to such amount as is forthcoming for purpose of settlement in this country	97
110	India Office...	March 24	Requests, in the circumstances indicated, that payment of the 36 lakhs referred to in Enclosure 1 in No. 95 be made in sterling to India Office	98
111	The High Commissioner Telegram, 246 ...	March 27 (Rec. Mar. 28)	Replies to questions in No. 96	99
112	India Office	March 29	Transmits, for concurrence, draft telegram to Government of India on the subject of Iraq drawings on India. Presumes that arrangements will be made to distinguish a bill drawn by High Commissioner from one drawn by Iraq administration; and inquiries as to the maximum amount available during 1922-23 for settlement claims in United Kingdom	99
113	The High Commissioner Telegram, 253 ...	March 30 (Rec. Mar. 30)	Reports position in regard to remittance of sale proceeds of money orders on India	100
114	The High Commissioner Telegram, 260 ...	April 2 (Rec. Apr. 4)	In continuation of No. 111, communicates figures for expenditure in connexion with (*a*) High Commissioner, (*b*) levies, (*c*) railway capital expenditure, and (*d*) refugees	101
115	To India Office... ...	April 6	States, in reply to No. 109, that Mr. Churchill is not prepared to authorise payment of claims referred to in sterling in this country, and confirms sum of £6,000,000 as best estimate that can be given of drawings for Imperial purposes in 1922-23	101
116	The High Commissioner Telegram, 277 ...	April 6 (Rec. April 7)	Replies to inquiries in No. 103	102
117	India Office	April 117	Refuses to admit that sterling settlement of claim in respect of money order transactions is affected as stated in No. 115, and suggests an alternative method of repayment. Presumes that arrangements will be made for settlement of pre-1921-22 claims	102

Serial No., From or to whom, Despatch No., &c., and Date.			Subject and Page No.
		1922	
118	Air Ministry	April 24	Accepts in principle the procedure set out in paragraph 3 of No. 85 as applying to both white and Indian troops, subject to concurrence of War Office and India Office. Suggests a conference between Departments concerned to discuss the matter 103
119	The High Commissioner 215	April 12 (Rec. Apr. 24)	Requests that £156,693 4s. 6d. be paid to India Office on demand, in settlement of account of transactions for July and August, 1921, and encloses copies of correspondence with Indian Government 103
120	To India Office ...	April 27	Accepts responsibility for the refund of Bills drawn by High Commissioner on Government of India up to a limit of £2,350,000 in period to 31st August, 1922. Concurs in draft telegram enclosed in No. 112, subject to amendments indicated 104
121	The High Commissioner Telegram, 328 ...	May 4 (Rec. May 4)	Reports figures of cash in hand on 1st April, 1922 ... 105
122	To Air Ministry ...	May 5	Concurs in proposal contained in No. 118 and states that Mr. R. V. Vernon and Mr. F. J. Howard will attend conference on behalf of Colonial Office 105
123	Mr. Howard (Colonial Office) to Mr. A. E. Watson (Treasury) and Mr. R. H. A. Carter (India Office)... ...	May 6	Transmits, for concurrence, a draft telegram (see No. 127) High Commissioner on subject of payments due by Iraq Government 106
124	Mr. A. E. Watson (Treasury) to Mr. F. J. Howard(Colonial Office)	May 9	States that Treasury concur in draft telegram enclosed in No. 123 106
125	Mr R.H.A. Carter (India Office) to Mr. F. J. Howard (Colonial Office)	May 10	States that Indian Office concur, subject to alteration indicated, in draft telegram enclosed in No. 123 ... 106
126	India Office	May 11	Transmits copy of a telegram from Government of India giving amount due in respect of money order transactions for July, 1921, and states that total due for four months April to July is £422,240 16s. 9d. ... 107
127	To the High Commissioner Telegram, 278 ...	May 13	Deals with the settlement of India's outstanding claim amounting to approximately 82 lakhs, and suggests procedure to be followed to provide Iraq with the working cash balance required after the surrender of 82 lakhs 107
128	India Office	May 17	Asks for official confirmation of concurrence in the terms of a telegram (copy enclosed) regarding the settlement of Iraq drawings on India in current year and incorporating amendments suggested in No. 120 108
129	Mr. R. H. A. Carter (India Office) to Mr. F. J. Howard (Colonial Office)...	May 23	Transmits copies of a summary statement showing progress of settlement of India-Iraq money order transactions prior to 1st April, 1921 109
130	To the High Commissioner Telegram, 301... ...	May 25	Emphasizes points raised in enclosure in No. 128 as to signature of bills and telegraphic transfers and the obligation not to sell bills, etc., to Iraq except for cash 111
131	Inter-Departmental Conference held to discuss certain aspects of financial arrangements in connexion with 'Iraq and Palestine	May 26	Minutes of meeting 112

Serial No., From or to whom, Despatch No., &c., and Date.			Subject and Page No.
		1922	
132	To India Office	May 27	Concurs in the terms of the telegram enclosed in No. 128 with the exception indicated 114
133	The High Commissioner Telegram, 376... ...	May 27 (Rec. May 28)	Reports that as from 1st April Iraq Government were prohibited from drawing telegraphic transfers or bills on India and that to settle transaction the Government purchases supply bills from the High Commissioner by cash prepayment in Baghdad. Does not consider counter signature of bills drawn by Financial Secretary necessary and trusts that existing arrangements will be allowed to stand 114
134	To the High Commissioner Telegram 307	May 29	Requests early reply to No. 127, and asks when accounts called for in No. 86 may be expected 115
135	The High Commissioner Telegram, 385... ...	May 30 (Rec. May 31)	States that Iraq Government suggests that, for the reasons indicated, payment of 18 lakhs to India Office for period ended 31st March, 1921, be held over, and reports total overdrawings during 1921-22 115
136	The High Commissioner Telegram, 387 ...	May 31 (Rec. May 31)	Hopes to despatch accounts referred to in No. 134 by the end of June, and gives reasons for delay 115
137	War Office	June 2	Transmits copy of a letter to Air Ministry regarding arrangements for advances to meet estimated expenditure from Army Funds in 1922-23 116
138	To the High Commissioner Telegram, 338	June 14	States, with reference to No. 135, that India Office is being consulted as to adjustment with India. As regards railway deficit, states that it must not be assumed that His Majesty's Government will accept views expressed, and that 32½ lakhs should be included as chargeable to Iraq Government on this account 116
139	Secretary of State for India to Viceroy, Financial Department Telegram	June 15	Forwards and requests observations on an extract from No. 135 regarding the holding over of the payment of 18 lakhs due to the Secretary of State for India. Asks for report on progress as regards the 85 lakhs reserved for local settlement 117
140	Air Ministry	June 20	Forwards a receivable order for £2,000,000 in accordance with agreement arrived at in No. 131, giving details of how this amount is made up... ... 117
141	The High Commissioner Telegram, 443... ...	June 22 (Rec. June 23)	Has agreed to proposal of Controller of Currency, India, that in future drawing on India be by telegraphic transfer on Bombay only, and that drawings by supply bills will cease 118
142	India Office ...	November 29	Forwards office copy of a demi-official letter from the War Office and reply thereto regarding the furnishing of the complete account in respect of Iraq money order transactions to the War Office for final settlement 118
		1923	
143	Treasury ...	... January 2	States that sum of £171,677 repaid by India Office on account of overpayment in respect of 1920-21 transactions should be credited to the Middle Eastern Vote, subhead J1. Concurs in this payment being regarded as an interim adjustment and also in proposed undertaking being given to India Office; points out desirability of Colonial Office retaining greater financial control, and requests that instructions may be given for a remittance from the cash balance of 18 lakhs remaining in hands of Railway Administration to provide for further adjustment with India Office ... 119

Serial No., From or to whom, Despatch No., &c., and Date.	Subject and Page No.
1923	
144 The High Commissioner Telegram, 512 September 19 (Rec. Sept. 20)	States that additional credits and debits are now being passed to the Accountant General by the Controller of War Accounts, India, in respect of the pre-settlement period; those already received have increased deficit by 18 lakhs 120
145 To Treasury ... ... October 3	Refers to No. 143 and remarks on the questions of control exercised over the delegation to the High Commissioner of authority to draw on India for funds required for Imperial Services in Iraq and the position to date as between His Majesty's Government and the Governments of India and Iraq in respect of past transactions 120
146 To the High Commissioner 1023 ... ...October 17	Inquires whether the claims against Iraq included in certain statements from India and in any subsequent claims that have been received are accepted as properly chargeable to the Civil Administration accounts for period to the 31st March, 1921 123
147 To Treasury ... November 22	Transmits draft letter which it is proposed to send to India Office regarding adjustment of the account current between Government of India and the Civil Administration of Iraq for funds supplied to the latter up to 31st March, 1921. Requests concurrence in views stated 124
1924	
148 Treasury ... January 21	Conveys comments on position as shown in No. 145 and letter of 10th January, 1924, and requests information regarding recovery of unexpended balance in hands of Railway Administration and explanations with regard to certain other items 124
149 To Treasury ... ... March 13	Sets out in detail the position arising out of the transfer of financial responsibility to Government of Iraq. Requests concurrence in a provisional settlement on basis indicated, enclosing for concurrence a draft telegram to the High Commissioner on the subject ... 126
150 Treasury ... ... March 26	Agrees to a provisional settlement on basis indicated in No. 149, and concurs in draft telegram enclosed therein 131
151 To the High Commissioner Telegram, 146... ... March 27	States that His Majesty's Government are prepared to agree to provisional settlement of outstanding transactions directly affecting Iraq's indebtedness on basis of proposals in the High Commissioner's despatch No. 490 of 4th May. Sets out in detail the position regarding the deficit 132

CORRESPONDENCE

[February, 1921—March, 1924.]

RELATING TO THE

FINANCIAL POSITION OF 'IRAQ.

9429

No. 1.

MR. J. C. CARR (TREASURY) to MAJOR YOUNG (COLONIAL OFFICE).

(Received 28th February, 1921.)

DEAR MAJOR YOUNG, Treasury Chambers, Whitehall, 26th February, 1921.

WITH reference to the conference in Kisch's room, on Thursday afternoon, we think here that Mesopotamia should be notified of the proposed Agreement as to Mesopotamia-United Kingdom money order transactions and invited to advise Sir P. Cox on their views in time for the Cairo meeting.

We also think that they should be told that from now on these accounts will have to be settled monthly, and that they must keep separate accounts and notify you by cable at the end of each month of the amount received for money orders on United Kingdom and India, respectively, and the allocation of the receipts, the military authorities notifying War Office simultaneously if the money has been handed over to them, in order that accounts may be adjusted this end.

I enclose a draft telegram* which has been agreed by India Office, Post Office, and War Office, which, if you agree, we should like sent at once, covering these two points. Post Office now inform me that they cannot have the Agreement ready before Monday—possibly later—and, if necessary, we must send it after you.

Yours sincerely,

J. C. CARR.

P.S.—Perhaps you would let Whittle (War Office Finance) and Kisch have copies of the telegram sent.

J. C. C.

9429

No. 2.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 6.0 p.m., 1st March, 1921.)

TELEGRAM.

MY previous telegrams regarding money orders.

(1) Am bringing draft Postal Agreement providing for direct settlement of money order transactions between United Kingdom and Mesopotamia without intervention of India for signature, if possible, by Sir P. Cox, at Cairo. Please advise him as to views of Mesopotamia Postal Administration on Agreement which is on usual lines. Propose orders in both directions should be advised in sterling, but can arrange for other currency if desired.

(2) You are aware of difficulty which has arisen in dealing with India's claim for past transactions. Please arrange, if possible, at once for separate account to be kept of all money order transactions and of disposal of receipts, and advise Colonial Office separately, by cable, at end of each month of amount of balance due on Mesopotamia-United Kingdom and Mesopotamia-India transactions separately,

* No. 2.

and how disposed of, in order to enable monthly adjustments to be made here. Pending arrangements for independent adjustment of Mesopotamia-United Kingdom transactions, Mesopotamia Postal authorities should be instructed to agree with Indian Postal Department as to figures to be reported before cabling here. If money issued to military authorities, they should simultaneously notify War Office.—CHURCHILL.

12303

No. 3.

INDIA OFFICE to COLONIAL OFFICE.

(Received 12th March, 1921.)

SIR, India Office, Whitehall, S.W., 10th March, 1921.

IN continuation of previous correspondence, ending with your reference No. 9429/1921,* on the subject of postal remittance claims by the Government of India against the Mesopotamia Administration, I am directed by the Secretary of State for India to enclose, for the information of Mr. Secretary Churchill, copy of the marginally noted telegraphic correspondence between the Secretary of State and the Government of India.

From India, dated 21st January, 1921,
To India (Extract) dated 26th January, 1921
From India (Extract), dated 14th February, 1921.
To India, dated 27th February, 1921.
To India, dated 5th March, 1921.

2. The claim of the Government of India relates to the financial years 1919-20 and 1920-21, and is in respect of the net balance of Money Order transactions between Mesopotamia and India and between Mesopotamia and the United Kingdom. The monies in question have been actually paid out, in the former case by the Government of India, and in the latter case by the British Post Office, to which Department refunds have been made in connexion with the periodical adjustment of accounts by this Office. The corresponding amounts have been received in cash by the Iraq Administration, and presumably utilized by them for local requirements.

3. The balance due to the Government of India for the year 1919-20 is estimated at 350 lakhs of rupees. Details of this claim are not yet available, but the Secretary of State is informed that the accounts are now being re-examined in detail, when a further report is to be submitted. It will be noted that the Government of India state (vide telegram of 14th February, 1921) that the balance of Rs. 350 lakhs, due in respect of Money Order transactions, has been excluded from the War Accounts, preferred on the War Office, which did not take account of remittance transactions.

4. From 1st April, 1920, when accounts of local military expenditure in Mesopotamia ceased to be adjusted by the Government of India, it is proposed to adopt the normal method of settlement of Money Order transactions between two countries and to effect adjustments with His Majesty's Government at the rate of exchange agreed for each month with the Treasury for the settlement of financial transactions between the British and Indian Exchequers. The details of the claim for the seven months April-October, 1920, are shown in the table, which it is understood has been transmitted to you by the Political Department of this Office, and of which a further copy is enclosed for ease of reference. From this it will be seen that the total amount due for these seven months is £3,581,433. Further claims, in respect of the months from November, 1920, onward, will be preferred when details are available.

It appears probable, from information received last month, that the credits due to India in respect of the months November to January will amount to at least £1,000,000.

5. For the present, the transactions between Mesopotamia and the United Kingdom are, for convenience, continuing to be settled through this Office, but it is understood that Mr. Churchill is arranging for the completion of a Postal Agreement for the direct settlement of such transactions without the intervention of India. It is also noted from Mr. Churchill's telegram, of 1st March,† to the High Commissioner, Baghdad, that steps are being taken which should facilitate the prompt settlement of future claims both on Mesopotamia-India, and on Mesopotamia-United Kingdom account pending introduction of the revised arrangements.

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* L.F. : not printed. † No. 2.

6. In view of the grave inconvenience to this Office resulting from delay in repayment of the very large sums which have been actually disbursed in cash Mr. Montagu trusts that the authorities in Mesopotamia will be pressed to reply promptly to Secretary of State for India's telegram of the 23rd February,* in which the Iraq Administration were asked to confirm the figures reported by the Government of India for their claims in respect of the financial year 1919-20 and the period April-October, 1920.

I have, &c.,
C. H. KISCH.

Enclosure 1 in No. 3.

FROM VICEROY, FINANCE DEPARTMENT.

(21st January, 1921.)

TELEGRAM.

IT has come to our notice, as the result of preliminary examination Ways and Means estimates last month, that we have large claim against Home Government in respect of money orders issued by Iraq Administration during current year, proceeds of which have been utilized by administration for local requirements. Matter has been under correspondence between Postal Authority of two Governments, and Mesopotamian Administration is naturally unable to settle account by payment of amount due to us in India, as it finances itself largely by drawings on us. Accountant-General, Posts and Telegraphs, informs us that net amount due to India on account of money order transactions from 1st April to 31st October, 1920, is Rs. 3,47,39,000, and we request you to take steps for early recovery of this amount from Home Government. Latter will be able to obtain further details required from Iraq Administration, but we would supply any information required from us. We are obtaining details by months, and will telegraph them to you to enable you to determine sterling amount to be recovered. We need not point out importance of early recovery.

2. Owing to large net payment by us which these transactions involve, we propose that claims should in future be preferred monthly as soon as accounts for each month have been audited. If you agree, we will instruct our Controller of Currency to telegraph to you amount recoverable on account of each month, from November onwards.

3. Above relates to current year transactions We have analogous claim in respect to transactions up to 31st March, 1920, which will be included in estimate of recoverable war expenditure, which will be furnished to you about end of the month. Please see paragraph 9 our telegram dated 8th January. Budget reason for different treatment of transactions before and after 1st April, 1920, is that as Mesopotamia has now ceased to have administrative connexion with India, settlement of money order accounts is on same basis as with any other foreign country.

Enclosure 2 in No. 3.

FROM SECRETARY OF STATE to VICEROY, FINANCE DEPARTMENT.

(26th January, 1921.)

(Extract.)

TELEGRAM.

YOUR telegram dated 21st January. Claims on Iraq Administration in respect of Money Orders.

2. Does 347 lakhs mentioned as due to India on account of transactions from 1st April to 31st October, 1920, relate only to net amounts on postal remittances between Mesopotamia and India, or does it relate also to postal remittances from Mesopotamia to United Kingdom? If latter is not included, how is India recouped for disbursements which India Office makes to Post Office in London in respect of remittances from Mesopotamia to United Kingdom, against which cash has been received by Iraq Administration? I note that postal remittance schedules (*e.g.*, general account, dated 15th September, 1920, from Accountant-General, Posts and Telegraphs, for July last) include considerable amounts in respect of Base D, which, I understand, relate to Mesopotamia. *Primâ facie*, I would suggest that proper course in regard to these would be that debits should be adjusted between Iraq and

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* Enclosure 7.

His Majesty's Government direct, and amounts involved excluded from your schedules. What is reason that no previous mention has been made of recoveries to be made here on postal account for current year?

3. In accordance with advices received from you *vide* your telegram of 9th July, 1919, and previous correspondence, credits have been made by me to Treasury in respect of Mesopotamia surplus. It would seem that in giving this credit, reservation should have been made in respect of debits due from civil administration in respect of postal remittances between Mesopotamia and India, and possibly between Mesopotamia and United Kingdom. Am I correct in understanding that net receipts in Mesopotamia on account of postal remittance have been advanced by civil administration to military, and thus acted in reduction of finance required for military purposes in Mesopotamia, and, if so, can I assure War Office that such sums have not been included in recoveries already claimed from them? I shall be glad if you will explain omission to include postal transactions prior to 1st April, 1920, in your periodical advices of recoverable war expenditure, and give more fully reasons for change in procedure from 1st April, 1920.

4. Of 350 lakhs mentioned in your estimates telegram of 8th January, section 9, as due from Iraq Government, how much represents cash balances transferred and how much postal remittance?

Enclosure 3 in No. 3.

FROM VICEROY, FINANCE DEPARTMENT.

(14th February, 1921.)

TELEGRAM.

(Extract.)

YOUR telegram of the 26th ultimo, 566. Iraq money orders. Sum of 347 lakhs of rupees claimed by us as due from Iraq Administration represents net amount of postal remittances between Mesopotamia and India, as well as from Mesopotamia to United Kingdom. Sterling amount payable by Iraq in respect (? of those) transactions from April to October is £3,581,433 at monthly rates (? fixed) for adjustment of financial transactions between British and Indian Governments. Distribution of claim by months is as follows, in thousands of rupees:—April, 19,72; May, 26,77; June, 1,02,52; July, 43,81; August, 21,82; September, 22,17; October, 1,10,59. These figures include 1,64,09 on account of postal remittances between Iraq and United Kingdom, distributed as follows:—April, 3,12; May, 6,05; June, 27,82; July, 81,10; August, 1,76; September, 1,32; October, 42,92.

2. We agree with your suggestion that our account with Iraq should now be confined to (? postal) transactions between Iraq and India, former Administration being left to settle direct with United Kingdom remittance transactions with that country. We are considering in consultation with administrative authorities change in procedure in order to exclude remittances between Iraq and United Kingdom from schedules of postal remittances sent from India, and will introduce change as soon as possible. Reopening of past transactions may, however, lead to confusion, and we suggest that settlement of past transactions may be effected through India, unless it is of any advantage to British Government that you should recover from British Post Office instead of from Treasury net amount which you have already paid to former on account of sterling money orders issued by Iraq on United Kingdom.

3. With reference to concluding sentence of paragraph 1 of your telegram, question of method of settlement of money order account with Iraq in current year has been under discussion between Accountant-General, Posts and Telegraphs, Controller of War Accounts, and Comptroller and Auditor-General since May last, but matter was not brought to our notice, nor had we knowledge of large sums involved, until, as we told you in our telegram of the 21st ultimo, preliminary examination of Ways and Means estimates in December disclosed some large uncleared outstanding (*sic*) in account for postal transactions. Even then we had no information to locate precise cause for outstanding, but as soon as this had been done, in consultation with Accountant-General, Posts and Telegraphs, and Controller of Currency, we lost no time in reporting claim to you.

4. As regards paragraph 3 of your telegram, position is as follows:—In 1919-20, besides obtaining funds from India by currency and telegraphic transfers which were usual sources for supply of funds to meet military expenditure, Mesopotamia drew from India, by means of money orders, a net sum of about 350 lakhs. Exclusive of this particular item, our transaction(? s) with Mesopotamia to end of

that year, inclusive of 84 lakhs on account of cash balances handed over at end of year by Field Disbursing Officers to Mesopotamian Government Treasuries, do not result in any material net balance in our favour or against us so far as can be made out from rough examination of accounts. Accounts are now being re-examined in detail, and as soon as this is completed, further report will be submitted to you. Balance of 350 lakhs referred to results from money order transactions, and does not affect our war accounts for 1919-20, which included only net expenditure recoverable from War Office and not remittance transactions.

5. From 1st April, 1920, accounts of local expenditure of troops in Mesopotamia are not being adjusted by us, and we are debiting War Office with remittances of funds to Mesopotamia by means of currency and telegraphic transfers. For money order transactions we have adopted the standing method of settlement of these transactions with any other foreign country, particularly in view of the confusion which has taken place about the adjustment of the transactions in 1919-20. In paragraph 4 of our telegram No. 6020 C.W.C., dated 13th November, 1920, we drew attention to the fact that remittances from India to Mesopotamia through money orders were not being taken into account in our estimates of recoverable war expenditure.

Enclosure 4 in No. 3.

FROM SECRETARY OF STATE to VICEROY, FINANCE DEPARMENT.

(27th February, 1921.)

TELEGRAM.

1244. Your telegram dated 14th February. Iraq money orders. Question of recovery of sums involved has been discussed with Treasury in the light of paragraph 6 of your estimates telegram of 18th February. Treasury naturally are desirous of having figures vouched from Mesopotamian side, and telegram was despatched on 23rd February to High Commissioner, Baghdad, which he has been asked to repeat to you. You will doubtless give any assistance required by High Commissioner, Baghdad, with view to his confirmation of your figures, pending which recovery from His Majesty's Government is held up. War Office suggests that sums received in respect of money order sales in Iraq may have been advanced by civil to military, who have notified India without specifying source, with result that sums claimed have been included in your recoveries. From paragraph 4 of your telegram of 14th February, I gather this is not the case, but in view of War Office suggestion, I should be glad of your further observations.

Enclosure 5 in No. 3.

FROM SECRETARY OF STATE to VICEROY, FINANCE DEPARTMENT.

(5th March, 1921.)

TELEGRAM.

1362. My telegram dated 27th February, No. 1244. Iraq money orders. With reference to paragraph 2 of your telegram dated 14th February, Colonial Office also are taking action with view to direct settlement in future of United Kingdom to Mesopotamia transactions without intervention of India.

2. With regard to future transactions, Colonial Office have requested Mesopotamia Administration to arrange, if possible, at once for separate account to be kept of all Money Order transactions and of disposal of receipts, and to advise Colonial Office by cable, at end of each month, of amount of balance due on Mesopotamia to United Kingdom and Mesopotamia to India transactions separately, and how disposed of, with view to monthly adjustment.

3. Pending arrangements for independent adjustment of Mesopotamia to United Kingdom transactions, Mesopotamia Postal authorities are being instructed to agree with Indian Postal Department as to figures to be reported before cabling home. If you concur in this procedure you should report agreed figures to me by telegraph at end of each month. This appears to accord with suggestion in paragraph 2 of your telegram dated 21st January.

Enclosure 6 in No. 3.

STERLING EQUIVALENTS OF RUPEE AMOUNTS PAYABLE BY THE IRAQ FOR NET POSTAL REMITTANCES.

Date.	Rate of Exchange.	Mesopotamia-India *plus* Mesopotamia United Kingdom.		Mesopotamia-United Kingdom only.	
1920.	s. d.	Rs.	£	Rs.	£
April	2 8	19,72,000	262,934	3,12,000	41,600
May	2 4	26,77,000	312,313	6,05,000	70,588
June	2 2¼	1,02,52,000	1,121,312	27,82,000	304,281
July	2 0	43,81,000	438,100	81,10,000	811,000
August	1 11	21,82,000	209,108	1,76,000	16,867
September	1 11	22,17,000	212,162	1,32,000	12,650
October	1 10¼	1,10,59,000	1,025,261	42,92,000	397,904
*Totals of above ...		3,47,40,000	3,581,490	1,64,09,000	1,654,885
*Actual Totals ...			3,581,433		

* The totals in Column 3 differ owing to the rupee figures being telegraphed in round thousands of rupees.

Enclosure 7 in No. 3.

SECRETARY OF STATE FOR INDIA to HIGH COMMISSIONER.

(23rd February, 1921.)

TELEGRAM.

P. 143. If this telegram reaches you after departure of Sir P. Cox, please repeat it to him at Aden, together with necessary material to enable him to discuss it at the Conference at Cairo.

The following claims against Iraq administration in respect of Money Order remittances on India and United Kingdom have been advised to India Office by Government of India :—

(1) 350 lakhs net on account of remittances in 1919-20.

(2) 347 lakhs net on account of remittances for April to October, 1920-21.

Based on the official rates of exchange in force for the respective months the sterling equivalent of this latter amount is given as £3,581,433, which figure will probably be increased by an additional £900,000 in respect to further transactions to January.

You are requested to reply urgently, by telegraph, whether the above mentioned figures are accepted by you.

Replies to the following points should also be telegraphed, separately, as soon as possible :—

Have the funds received by Postal authorities in Iraq, as payment for money orders, been utilized by civil or military, and how have they been disposed of? Military authorities should be asked how they accounted for any such monies and whether they notified India in the usual way.

(2) What estimates do you suggest for such transactions next year, and how do you propose in future to provide for meeting debits against Iraq on account of postal remittances?

Enclosure 8 in No. 3.

SECRETARY OF STATE FOR INDIA to HIGH COMMISSIONER.

(25th February, 1921.)

TELEGRAM.

P. 153. Claims of Government of India in regard to money orders. Further to my telegram of 23rd instant (which with this please repeat to Viceroy), it is suggested by the War Office that sums received in respect of money order sales in Iraq have possibly been advanced to military by civil, and that the former may have notified India without indicating source, with the result that Government of India's recoveries have already included the sums claimed.

21950

No. 4.

MR. C. H. KISCH (INDIA OFFICE) to MR. J. E. SHUCKBURGH (COLONIAL OFFICE).

London, S.W.1, 14th April, 1921

MY DEAR SHUCKBURGH,

WITH reference to previous correspondence on the subject of finance for Mesopotamia, I enclose a copy of a letter sent to the Treasury, with enclosure. After conferring with his friends on the subject, Headlam will let me know his suggestions as to time and date of a meeting. As soon as I hear from him I will communicate with you. Meanwhile, will you please consider the points involved?

Yours sincerely,

C. H. KISCH.

Enclosure in No. 4.

London, S.W.1, 14th April, 1921.

DEAR HEADLAM,

WITH reference to our telephone conversation this morning, and previous correspondence, I enclose a copy of a telegram from the Government of India, dated the 11th instant, on the subject of finance for Mesopotamia.

When funds are supplied to Mesopotamia by the sale of drafts on India, the sales hitherto have been made by the Civil Administration, from whom the Military have obtained such funds as they required. The object of the proposal in paragraph 2 is to make the Military authorities responsible for the sale of transfers on India for the purpose of obtaining such funds as they require by this method of finance. The effect will be to ear-mark at the outset funds supplied by India, for Military, as distinct from Civil, requirements, and the proposal should thus simplify accounting. Drawings by the Military authorities in this way would act in reduction of drawings by the Civil authorities, and are not intended to add to the total volume of finance supplied to Mesopotamia from India.

As regards paragraph 3, it may assist if I state our interpretation of the passage referring to Imprests. The claim of 350 lakhs against the Mesopotamian Government in respect of Money Order remittances in 1919-20 has hitherto been regarded as a claim against the Civil authorities, who were responsible for the issue of the money orders on India. It would now appear, as previously surmised, that a part of the sums so provided has been utilized by the Military authorities, and insofar as this is shown to have been the case by Imprest accounts now received by the Military Accounts' authorities at Poona, the amount concerned will be brought to charge against the War Office, a corresponding reduction being made in the claim against the Civil authorities on account of money orders.

When you have had time to consider the questions involved, would you kindly let me know so that a meeting between the departments concerned can be arranged. I am glad you share our view that this is a question which can be most satisfactorily dealt with in personal discussion between the departments concerned.

I am sending a copy of this letter to Shuckburgh, at the Colonial Office, and Crosland, at the War Office, and am letting them know that we will inform them later regarding the proposed date and time for a meeting.

Yours sincerely,

C. H. KISCH.

M. Headlam, Esq.,
Treasury Chambers, S.W.1.

FROM VICEROY, FINANCE DEPARTMENT, to SECRETARY OF STATE FOR INDIA.

(Dated Simla, 11th April, 1921.)

(Received 10 a.m., 13th April, 1921.)

TELEGRAM.

No 3. Accounts. Colonel Watkins, Command Paymaster in Mesopotamia, recently came to India and discussed with Mitra, amongst other things, question of supply of funds to meet expenditure in Mesopotamia, Gaul being present at discussion. Under existing arrangements Civil Administration obtains funds from India by Bills and by currency and telegraphic transfers, and from amounts received

from this source, and from its other resources, including sums obtained by issue of money orders on India, it meets the requirements of the military force. So long as accounts of local expenditure of Mesopotamian Expeditionary Force and of Civil Administration were dealt with by us, there was no material difficulty in adjusting these various remittances. Position has, however, now changed, as India is not concerned with the adjustments of local accounts in Mesopotamia. We are charging in our war accounts funds remitted to Mesopotamia by Bills and transfers drawn on India by the Civil Administration, while money order payments are being adjusted in the same way as other foreign money orders. Funds received by Military authorities in Mesopotamia from Civil Administration differ from first of these items, and this will lead to some confusion in accounting.

2. Simplest arrangement(s) under present conditions would be for Command Paymaster to obtain money direct by sale of transfers on India at Basrah and Baghdad, from 1st April, 1921, or other earliest date possible, sales by Civil Administration ceasing from that date. Command Paymaster should arrange with Civil Administration for internal remittances in Mesopotamia to meet former's requirements. We shall be obliged if you can arrange for the early introduction of this system. Issue of money orders on India by Civil Administration should be stopped from above date, unless His Majesty's Government agree definitely to reimburse India for all payments made by it on this account from year to year.

3. As you are aware, we have a Currency Chest at Basrah, this (? the) balance of which stood on 1st February, 1921, at about Rs. 1,48,00,000, inclusive of Rs. 24,00,000 in coin. As India has no longer any connexion with, or responsibility for, the Mesopotamian Administration, the continued retention of the Chest, and in particular the holding of rupee in itself, as part of the Indian currency reserve, is hardly legal. We would ask that arrangements may be made for Command Paymaster to take over entire balance against opposite payment from War Office to you in London. Balance could be lodged by Command Paymaster with a local bank and utilized to meet current demands, or as reserve against emergencies.

4. Discussion with Watkins revealed fact that large number of Imprest accounts for 1919-20 had been received by him from Field Treasure Chest Officers after our Field Accounts Office at Basrah had been closed. These have been now taken over by our Field Office at Poona for adjustment in 1920-21. Result will probably be that a considerable portion of our claim of Rs. 3,50,00,000 on account of money order remittances from India to Mesopotamia in 1919-20 will be converted into claim against War Office.

5. With reference to your telegram dated 25th February last, No. 153, High Commissioner, Baghdad, we should like to invite your attention to paragraph 4 of our telegram dated 13th November, 1920, No. 6020 C.W.C., in which it was definitely stated that our estimates of sums recoverable from the War Office in 1921-22 on account of remittance of funds to Mesopotamia do not include remittances through money orders.

6. This telegram has been shown to Gaul, and is being repeated, at his request, to Command Paymaster, Mesopotamia.

18163

No. 5.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 5.20 p.m., 14th April, 1921.)

TELEGRAM.

[*Answered by No.* 9.]

No. 14. Urgent. Further information required as to latest financial position in connexion with preparation of Parliamentary Estimate. What is surplus of civil administration on 31st March? I understand Treasury hold about £680,000 invested. Is this full amount? Are there any outstanding charges to be met from it? Does it include any receipts on account of Ottoman Public Debt? If so, what amount? What is estimate of revenue and expenditure for 1921-22? Does estimate of revenue include any receipts on account of Ottoman Public Debt? Can approximate estimate of Mesopotamian liabilities in respect of debt annuity under Turkish Treaty be framed? Please state provision required in current financial year for

following services, which should be excluded from estimate of local expenditure:—(1) Maintenance of native levies; (2) capital expenditure on Mesopotamian railways; (3) resettlement of Assyrian refugees.—SECRETARY OF STATE FOR THE COLONIES.

17719

No. 6.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 12.45 p.m., 26th April, 1921.)

TELEGRAM.

No. 42. Secretary of State for India anxious to know whether figures of money order claims from India are accepted by you. See his telegram of 23rd February P. 143.* Early reply requested.—CHURCHILL.

21950

No. 7.

MR. R. V. VERNON (COLONIAL OFFICE) to MR. C. H. KISCH (INDIA OFFICE).

DEAR KISCH, Middle East Department, Colonial Office, S.W.1, 4th May, 1921.

I ENCLOSE the draft telegram† which we agreed to send to Mesopotamia about financial arrangements. Will you let me know whether it meets your views, and also let me see the draft of the telegram which you propose to send to India? If we take over the currency chest balance, I do not quite see how we are going to pay for it, but that will be considered later. I am also sending a copy of the draft telegram to Whittle.

Yours sincerely,
R. V. VERNON.

21950

No. 8.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 12.45 p.m., 7th May, 1921.)

TELEGRAM.

[*Answered by No.* 11.]

No. 77. Government of India desire to settle provision of funds for civil and military purposes in Mesopotamia. Please consult Command Paymaster and obtain from him his telegram to War Office, No. 455, 18th April,‡ and telegram from Viceroy to Secretary of State for India, of 11th April,§ quoted. It is essential that only one authority should sell bills on India. Please telegraph your views on proposals in paragraphs 2 and 3 of Viceroy's telegram, viz., (1) that sales of transfers should be made only by Command Paymaster and (2) that Mesopotamian Administration should take over currency chest at Basra. If this balance is not required for civil or military purposes it will probably be shipped to India.

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* Enclosure 7 in No. 3. † No. 8.

‡ The telegram was in the following terms:—"No. 455, 18th April. With reference to cable Number 3, Accounts, 12th April, from Viceroy, Finance Department, to Secretary of State for India. Civil Administration have machinery for local treasuries in existence. Suggest their continuing to sell on India for clearance on Colonial Office, thereby continuing to supply my needs and avoid my having to open chests at various places where no banks exist. I should telegraph you the monthly amounts received from Civil as shown having accepted for adjustment with Colonial Office. If I undertake establishing Treasury Chest, foresee difficulties and unnecessary added cost to pay services, as civil treasuries will be necessarily retained in addition. My previous views considerably modified after conferring with banks."

§ Sub-enclosure in No. 4.

I reserve my opinion on above points pending your reply. But if Civil Administration continue to finance military by sale of drafts on India, it would be desirable that Colonial Office should be informed at once, by mail, of amounts transferred to military, so that India Office claim for reimbursement may be properly apportioned between Home Departments concerned.

Please report as soon as possible.

Addressed Baghdad, No. 77, repeated Viceroy, Finance Department.—CHURCHILL.

23157

No. 9.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 5.24 p.m., 9th May, 1921.)

TELEGRAM.

[*Answered by Nos.* 12 *and* 17.]

6TH MAY. No. 84. Your telegram 14th April.*

Firstly, surplus Civil Administration Revenue Accounts, 31st March, excluding adjustments arising from decisions Cairo Conference, 16 lakhs.

Secondly, impossible to comment on figure of £680,000 held by Treasury without knowing how this amount arrived at.

Thirdly, (*a*) outstanding charges to be met from this are 39 lakhs, due to Military, as against 1 crore 59 lakhs due from Military. Under Cairo decision this additional net credit of 1 crore 20 lakhs now lapses and has to be ignored; it is excluded from figure with reference to paragraph 1 above. Further liability against Revenue Account is Ottoman Debt annuity for financial year 1920-21, which may be taken provisionally in the absence of data at 30 lakhs.

(*b*) Following amounts have been booked as revenue and included in surplus of 16 lakhs above, but not collected yet: from military railways, 84 lakhs; port, 22 lakhs; posts, ?15 lakhs; telegraph, 4 lakhs; total, 1 crore 25 lakhs. This amount is additional to 1 crore 59 lakhs mentioned in thirdly (*a*), under Cairo Conference. Surplus previously calculated will require reduction by this amount of 1 crore 25 lakhs.

(*c*) Expenditure on following objects has not hitherto been regarded as chargeable to Iraq revenues, and was kept in suspense pending recovery from His Majesty's Government:—Expenditure in Arabistan since April, 1919, 3 lakhs; expenditure in North-West Persia, 6 lakhs, refugee camps, year 1919-20, 5 lakhs; refugee camps for year 1920-21, 19 lakhs; rents military billets, 8 lakhs; Miscellaneous Suspense Accounts, 14 lakhs; total, 55 lakhs. Under Cairo formula this will require also adjustment against surplus previously calculated.

(*d*) Capital expenditure during year 1920-21 was railways, 59 lakhs; port, 12 lakhs; total, 71 lakhs. Under Cairo formula this must be also set against object balance in Revenue Account.

(*e*) Summary of above presumptive surplus to 31st March was plus 16 plus 120 minus ? 30; total, 106 lakhs. As result Cairo decision this becomes plus 16 minus 30 minus 125 minus 55 minus 71; total, minus 2¼ crore 15 lakhs. Supplementary vote will be required for this amount, and I suggest that this should be converted at 2s. since greater portion was drawn from India uniformly during 1920-21, and India would demand repayment in sterling, hence approximate vote required is £2,650,000.

Fourthly, figure first paragraph includes revenue from taxes formerly hypothecated to service Ottoman Debt, approximate amount included 60 lakhs.

Fifthly, they have no statistics at present to calculate ?actual cost of a debt annuity due from Iraq under Treaty of Peace, (?) paragraph 3 (*a*); we have assumed 30 lakhs.

Sixthly, will reply separately with regard to estimate of year 1921-22 referred to in last paragraph your telegram.—Cox.

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* No. 5.

21950

No. 10.

MR. C. H. KISCH (INDIA OFFICE) to MR. R. V. VERNON (COLONIAL OFFICE).

MY DEAR VERNON, India Office, S.W.1, 9th May, 1921.

I AM sending herewith, as arranged, a memorandum of the conference held here on Wednesday to discuss Mesopotamian finances; also a copy of the telegram on the subject which is being sent to the Viceroy, and of which you saw a draft at our meeting on Friday.

Yours, &c.,
C. H. KISCH.

Enclosure 1 in No. 10.

MEMORANDUM.

A CONFERENCE between representatives of the India Office, Colonial Office, War Office, and Treasury was held at the India Office on 4th May to discuss questions connected with the provision of finance for the Mesopotamian Administration. The following were present:—Messrs. H. F. Howard, C. H. Kisch, and G. H. Baxter (India Office); F. Whittle (War Office); R. V. Vernon (Colonial Office); M. Headlam, F. M. Morris, and S. A. Sydney Turner (Treasury).

The three points raised in the memorandum* previously circulated were discussed *seriatim*:—

I.—Bills and Transfers on India.

The Government of India have suggested that all drawings should be by the Military (i.e., the Command Paymaster). Colonial Office see no *prima facie* objection to this, and will consult High Commissioner, Baghdad, by telegram. All parties are agreed that, whether drawings are made by the Military or by the Civil authorities, they should not be made by both. One authority should be responsible, and whoever it was, provision should be made for prompt reimbursement to the India Office.

II.—Money Order Transactions.

(*a*) *Past Transactions.*—If settlement cannot be made at once, India Office would welcome information as to probable date of settlement, and whether any payment can be made on account. In virtue of an arrangement concluded at Cairo, any allocation of indebtedness as between the Civil and Military Administrations has probably become unnecessary. In this case all that is required is for the High Commissioner to agree the total sum already notified by India. The Colonial Office will send a further hastener to the High Commissioner, and the India Office will ask the Government of India whether they have anything to report as regards the process of verification in which they were asked to assist.

(*b*) *Future Transactions.*—Treasury and Colonial Office agree with the India Office that accounts shall in future be settled at stated intervals, and not be allowed to run on.

III.—Currency Chest.

This question cannot be settled until decision is made, under I above, as to which is to be the remittance authority. The Colonial Office will, meanwhile, inquire the views of the High Commissioner.

India Office,
6th May, 1921.

Enclosure 2 in No. 10.

FROM SECRETARY OF STATE to VICEROY, FINANCE DEPARTMENT.

(Dated 6th May, 1921.)

TELEGRAM.

2347. Your telegram of 11th April, Mesopotamian finances. British Government Departments concerned agree that transfers on India should be sold by a single authority in Mesopotamia. Colonial Office are consulting High Commissioner, Baghdad, as to whether this authority should be Civil Administration or Command Paymaster, and also as to possibility of taking over Currency Chest.

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* Printed here as an Annexure.

2. Money Orders. Please refer to my telegram dated 27th February. Please report whether you have been able to assist High Commissioner towards confirmation of your figures, regarding which Colonial Office have received no information from Mesopotamia. As regards future transactions, Treasury agree that accounts shall be settled at regular intervals.

3. Under arrangement concluded at Cairo, allocation of Mesopotamian indebtedness between military and civil, prior to 1st April, 1921, may become unnecessary. Details of your Money Order claim for 1919-20 should be therefore telegraphed as soon as otherwise complete without waiting for such allocation, unless this is already virtually settled. For purpose of recovery from His Majesty's Government, you will understand importance of claim being agreed as correct with Mesopotamian Administration.

ANNEXURE.

Notes on the Provision of Finance for Mesopotamia.

THE existing method by which finance has been provided for the Mesopotamian Administration, apart from funds raised internally, is by the sale of Bills or Transfers on India by the Civil Administration and by Money Order remittance on India. The funds obtained by the sale of Money Orders would have been received in the first instance by the Civil authorities. (Money Order transactions between Mesopotamia and the United Kingdom, which down to 31st March, 1921, were settled through India, are now settled direct; so that there is now the further possibility of providing finance by sterling remittance on United Kingdom.)

The Military authorities in Mesopotamia have been financed by the Civil Administration, but the amounts so transferred differ from the amounts of the Civil Administration's drawings by Bills and Transfers on India (which are adjusted through the War Accounts), so that accounting is difficult.

The following three questions come up for consideration:—

(1) The Government of India propose that in future all drawings by Bills and Transfers on India should be effected by the Military authorities direct (i.e., the Command Paymaster). This will simplify accounting and expedite the necessary adjustments, as the Secretary of State will look solely to the War Office for reimbursement.

(2) The devising of suitable arrangements for reimbursing India for moneys provided by sales of Money Orders on India. Past transactions, of which some details have already been furnished, as well as future transactions, have to be considered.

(3) It is suggested that the Mesopotamian Administration should take over, against a payment in London, the Government of India's Currency Chest at Basrah (about Rs. 148 lakhs, including about Rs. 24 lakhs in coin).

The reason for the proposed changes in procedure results from the transfer to Imperial control of Mesopotamian affairs both civil and military.

India Office,
30th April, 1921.

25768

No. 11.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 7.20 a.m., 24th May, 1921.)

TELEGRAM.

(Paraphrase.)

No. 120. Your telegram of 7th May, No. 77.*

First. Proposals in paragraph 2 of Viceroy's telegram† would simplify accounting and also civilian ways and means problems, but as excess of imports over exports (group repeated ?) is financed ultimately by Government sales of transfers on India, it is highly desirable in calculating amounts allotted week by week to bank that trade requirements should be taken into account. Banks and commercial community would at times be seriously embarrassed if allotments of

* No. 8. † Sub-enclosure in No. 4.

transfers were calculated solely with reference to military requirements. For above reasons, it is considered desirable that sales of transfers on India should be conducted, as hitherto, by civilian finance department, which is in constant communication with banks, Custom House Department, and Chambers of Commerce.

Secondly. No objection to taking balance currency chest at Basra, but it would be essential to retain it as a general reserve to meet military requirements pending shipment notes or coin from India during periods when demand for transfers on India falls away entirely, as occasionally happens.

Thirdly. I can telegraph at close of each month total drawings on India other than by money orders. Also total amount transferred to Command Paymaster. Figures of net drawings by money orders will be telegraphed about two months in arrears.

Addressed to Secretary of State for the Colonies, No. 120.
Repeated to Foreign, Simla, for Finance Department, No. 732 S.

23157

No. 12.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 3.10 p.m., 27th May, 1921.)

TELEGRAM.

[*Answered by No.* 20.]

No. 113. Your telegram 6th May, No. 84.* £680,000 held by Treasury is understood to represent total of amounts paid over by India Office from time to time on account of surplus revenues of Mesopotamia, plus interest. This can be paid over to Mesopotamia at any time. Is the amount taken into account in arriving at surplus of 16 lakhs mentioned in first part of your telegram, or is it additional to that surplus? Does net outstanding claim of 120 lakhs against military, referred to at Thirdly (*a*), represent expenditure incurred prior to 1st April, 1920, which War Office disputes? Does 125 lakhs, referred to at Thirdly (*b*), represent total of undisputed claims for which provision should have been made in Army Estimates in this or previous years and paid by War Office but for Cairo decision? Is there any difference in principle between claims against War Office under Thirdly (*a*) and Thirdly (*b*)? I fear that I cannot ask Parliament to vote money to meet deficit until position is further elucidated.—SECRETARY OF STATE FOR THE COLONIES.

26704

No. 13.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 5.20 a.m., 30th May, 1921.)

TELEGRAM.

[*Answered by No.* 17.]

24TH MAY. No. 130. My telegram 6th May, No. 84.* Figures at Thirdly (*d*) should read: Railways, 59 lakhs; port, 12 lakhs; total, 71 lakhs; hence total of Thirdly (*e*) becomes 2½ crore 15 lakhs, and vote required will be £2,650,000. Above figure, 59 lakhs for capital expenditure on railways, is exclusive of 7 lakhs for land acquisition reported in my telegram 19th April, No. 35,† as unspent and required again during current financial year.—COX.

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* No. 9. † Not printed.

27477

No. 14.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 10.45 p.m., 2nd June, 1921.)

TELEGRAM.

(Paraphrase.)

27TH MAY. No. 136. Reference to telegram 11th March, No. 341 S. from Government of India to Secretary of State for India.

Government of Iraq are not in a position to bear any portion of the cost of political expenditure in Arabistan, and desire to disclaim any liability on this account after 31st March, 1921.

Their interests in Arabistan do not demand continuance of present measures, and they have no objection to summary reduction mentioned by Government of India.

As temporary measure, I have continued to finance this expenditure from Baghdad(?), but have (?)instructed my Accountant-General to charge these remittances to His Majesty's Government's account, leaving it to His Majesty's Government to settle with India and oil interests.

Addressed Secretary of State for Colonies, No. 136. repeated Secretary of State for India, Foreign, Bushire 7442, and Tehran 137.—Cox.

27526

No. 15.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 9.57 a.m., 2nd June, 1921.)

TELEGRAM.

[*Answered by No.* 25.]

27TH MAY. No. 137. Your telegram 5th May, No. 71.* My telegram 17th March, No. 502, sent in error to Secretary of State for Colonies, Cairo, repeated Cox, Cairo. *Begins:* Your telegram 23rd February, No. 143.† Figures in round 1,000 rupees. Net credit in Iraq accounts in favour of India on account of money orders, May, 1919, to March, 1920, is 33,161, half of 66,322. During April, 1919, Postal Department was mainly Military, and debits for payment of money orders issued during that month lie against Military. For April to October, 1920, total net credits in Iraq accounts in favour of India 35,011, half of 70,022; for November to January, 1921, inclusive, 16,072, half of 32,144. *Ends.*

In connexion, please see paragraph No. 4 of Viceroy's telegram of 11th April, 3, Accounts‡ to Secretary of State for India.

28133

No. 16.

INDIA OFFICE to COLONIAL OFFICE.

(Received 6th June, 1921.)

[*Answered by No.* 19.]

SIR, Whitehall, S.W.1, 4th June, 1921.

I AM directed by the Secretary of State for India to refer to telegram No. 136 of 27th May,§ from the High Commissioner, Mesopotamia, to the Secretary of State for the Colonies (which has been repeated direct to this Office) regarding the incidence of political expenditure in Arabistan.

It would appear that the High Commissioner has overlooked the Government of India's telegram of 6th April, No. 491 S, which was repeated by the Government of India to Baghdad, and of which I am to enclose a copy. This telegram clearly contemplates that the expenditure in question should be borne (as is all Diplomatic and Consular expenditure in Persia) by India and the Foreign Office

* 17719: reminder, not printed. † Enclosure 7 in No. 3. ‡ Sub-enclosure in No. 4. § No. 14.

jointly. A copy of a letter addressed to the Foreign Office on receipt of the telegram of 6th April is enclosed for information; a reply is still awaited. The High Commissioner's telegram of 27th May appears, however, to indicate that the revenues at his disposal have been used since 31st March last to meet some items, at any rate, of political expenditure in Arabistan. The Government of India will no doubt arrange direct with the High Commissioner the adjustment of such outlay with a view to subsequent division between themselves and the Foreign Office by the usual methods.

Subject to any remarks which Mr. Secretary Churchill may desire to offer in the light of the foregoing, and to the concurrence of the Secretary of State for Foreign Affairs (who is being consulted), the Secretary of State for India proposes to communicate with the Government of India in the sense indicated above.

I have, &c.,
L. D. WAKELY.

Enclosure 1 in No. 16.

FROM THE VICEROY, FOREIGN AND POLITICAL DEPARTMENT.

(*Repeated to Bushire, Baghdad, and Teheran.*)

(Received 1.0 p.m., 8th April, 1921.)

TELEGRAM.

6TH APRIL. 491 S. Your telegram of 20th March (1669). Subject to your approval, we have sanctioned continuance of additional consular and other establishments in Arabistan for period of (? three months) from 1st April, pending investigation of question on the spot by Political Resident in the Persian Gulf. We assume cost will be shared equally between Imperial and Indian revenues.

Enclosure 2 in No. 16.

SIR, India Office, Whitehall, London, S.W.1, 17th May, 1921.

WITH reference to the telegraphic correspondence with the Government of India (of which copies were forwarded to your Department under this Office endorsement of 24th March) regarding the expenditure on Consular representation in Arabistan, I am directed by the Secretary of State for India to state, for the information of Earl Curzon of Kedleston, that the Government of India have sanctioned the continued maintenance, without interruption, of the present establishments in Arabistan pending the results of investigations to be conducted on the spot by the Political Resident in the Persian Gulf.

The Government of India assume, and the Secretary of State also assumes, that a moiety of the cost of the existing establishments will continue to be borne by Imperial revenues pending any revision that may eventually be approved. Mr. Montagu would be glad to be assured that this assumption is correct.

I have, &c.,
L. D. WAKELY.

The Under Secretary of State,
Foreign Office.

No. 17.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 12.40 p.m., 4th June, 1921.)

TELEGRAM.

No. 138. Your telegram 6th May, No. 84, 24th May, No. 130.* My telegram 27th May, No. 113.† I find it very difficult to understand financial position, and it is essential that clear explanation should be furnished. Figures in Review of Civil Administration presented to Parliament gave surplus for five years ending 31st March, 1920, as 231 lakhs. Figures given to Barstow at Cairo gave surplus

* Nos. 9 and 13. † No. 12.

on that date as 294 lakhs. What is correct figure? Please state whether the figure which you give as correct for that date represents actual receipts or includes any sums claimed to be due from but not actually paid by Army or His Majesty's Government. If it does include such sums give full particulars. Please state also total revenue and expenditure for year ended 31st March, 1921. If revenue includes any sums claimed to be due from but not yet paid by Army or His Majesty's Government give full particulars. State which claims against Army are admitted and which disputed. If expenditure includes any sums claimed to be repayable by Army or His Majesty's Government give full particulars.—SECRETARY OF STATE FOR THE COLONIES.

29409

No. 18.

MR. C. H. KISCH (INDIA OFFICE) to MR. R. V. VERNON (COLONIAL OFFICE).

MY DEAR VERNON, India Office, S.W.1, 11th June, 1921.

MANY thanks for your letter of 3rd June,* enclosing copy of a telegram† received from the High Commissioner for Mesopotamia.

I am enclosing a note setting out the present position with regard to the provision of finance for Mesopotamia, together with a copy of recent correspondence on the subject.

I think the time has now arrived when a further conference could usefully be held, and I have asked Headlam to let me know his suggestions as to time of meeting. As soon as I hear from him I will communicate with you.

I think that the method employed in the High Commissioner's telegram of expressing figures as half of other figures is merely a device to check errors in telegraphic transmission.

Yours sincerely,
C. H. KISCH.

Telegram from Secretary of State for Colonies to High Commissioner for Mesopotamia, dated 5th May.‡
Telegram from Secretary of State for India to Viceroy, dated 6th May.§
Telegram from Secretary of State for Colonies to High Commissioner, dated 7th May.‖
Telegram from High Commissioner to Secretary of State for Colonies, dated 24th May.¶
Telegram from High Commissioner to Secretary of State for Colonies, dated 27th May.**
Telegram from Secretary of State for India to Viceroy, dated 30th May.
Telegram from Viceroy to Secretary of State for India, dated 31st May.

Enclosure 1 in No. 18.

NOTE II ON THE PROVISION OF FINANCE FOR MESOPOTAMIA.

SINCE the Conference on this subject held at the India Office, on 4th May, the following telegraphic correspondence has passed:—

5th May. *Secretary of State for Colonies to High Commissioner for Mesopotamia.*—Hastener *re* Money Order claim.

6th May. *Secretary of State for India to Viceroy.*—Conveying result of Conference and asking further information.

7th May. *Secretary of State for Colonies to High Commissioner.*—Asking his views as to (1) remittance authority, (2) currency chest. (Repeated Viceroy.)

24th May. *High Commissioner to Secretary of State for Colonies.*—Sale of transfers by Civil still advisable. No objection to taking over currency chest. (Repeated to Viceroy.)

27th May. *High Commissioner to Secretary of State for Colonies.*—Giving rupee amounts in respect of part of past Money Order transactions.

28th May. *Secretary of State for India to Viceroy.*—Asking observations on Colonial Office telegram of 24th May.

31st May. *Viceroy to Secretary of State for India.*—Suggests revised procedure for regulation and adjustment of remittance.

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* 27259: not printed. † No. 15. ‡ Reminder (not printed) of No. 6. § Enclosure 2 in No. 10. ‖ No. 8. ¶ No. 11. ** No. 15.

The present position, under the three main heads of discussion, appears to be as follows:—

I.—Bills and Transfers on India.

The Government of India's suggestion, that drawings should be made only by the military authorities in Mesopotamia, is unacceptable to the High Commissioner, who desires that they should continue to be made by the civil authorities, as being in touch with trade requirements. The Government of India accept this proposal, subject to certain conditions, at the same time pointing out the danger of making sales, without regard to the limits of Government requirements, in order to meet trade demands.

The India Office offers no objection to the continuance of sales by the High Commissioner subject to the conditions proposed.

II.—Money Order Transactions.

(*a*) *Past Transactions.*—The information now supplied by High Commissioner is incomplete: the telegram gives only rupee amounts (differing somewhat from Government of India's figures), and not the sterling equivalents which are recoverable; and it does not deal with the question asked in telegram of 23rd February, as to how funds received were utilized, whether by the civil or the military, and, if by the latter, how accounted for.

The figures given, however, confirm in round figures the indebtedness of Mesopotamia to India, in respect of these transactions, and appear to offer a basis for a provisional payment. The following table exhibits a comparison so far as available, of the figures supplied by the High Commissioner and those supplied by the Government of India:—

	High Commissioner's figures. Rs.	Government of India's figures. Rs.	£.
April, 1919	?		
May, 1919-March, 1920	3,31,61,000	3,50,00,000*	?
April-October, 1920	3,50,11,000	3,47,40,000	3,581,433
November, 1920-January, 1921	1,60,72,000	?	?

The India Office proposes that, for the period 1919-20, payment should be made of the amount computed by the High Commissioner (which is smaller than the Government of India's figure) converted at the average rate of exchange for the year. This to be subject to adjustment when detailed figures are available. With regard to April-October, 1920, the India Office proposes that payment should be made of the sterling amount notified by Government of India (which represents a rupee amount smaller than that arrived at by the High Commissioner), subject to adjustment after investigation of the discrepancy between the two figures. Payment of the amount for November, 1920, to January, 1921, could be made in due course, when further details are available.

The High Commissioner's statement that the debit in respect of April, 1919, lies against the military does not seem to accord with the arrangement which it is understood was made at Cairo, cancelling the mutual indebtedness (prior to 1st April, 1921) of the civil and military authorities in Mesopotamia. It is proposed to discuss at the next conference how settlement is to be made of the transactions of April, 1919.

(*b*) *Future Transactions.*—The net figures of Money Order drawings between India and Mesopotamia will in future be telegraphed home monthly to the Colonial Office, and a corresponding procedure will be arranged with India. The India Office assumes that payment of the net amount, as agreed, will be made between the Colonial Office (on behalf of the Mesopotamian Administration) and the India Office

III.—Currency Chest.

The High Commissioner has agreed† to take over the Currency Chest at Basrah; and if the Treasury agree it is proposed that the transfer should be carried

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* Approximate.

† The latter portion of paragraph 2 of High Commissioner's telegram of 24th May seems to be based on a misinterpretation of a sentence in Colonial Office telegram of 7th May—"if this balance is not required . . . . it will probably be shipped to India."

out, payment being made in sterling, in London, on the day of the transfer, at the official rate of exchange for the month. The India Office would consult the Government of India as to the date on which it would be convenient to carry out the transfer.

India Office,
8th June, 1921.

Enclosure 2 in No. 18.

FROM SECRETARY OF STATE to VICEROY, FINANCE DEPARTMENT.

(30th May, 1921.)

TELEGRAM.

2693. My telegram dated 7th May. Mesopotamia High Commissioner's telegram dated 24th May addressed to Secretary of State for Colonies repeated to you. Mesopotamian Finances. Please telegraph your observations as early as possible.

Enclosure 3 in No. 18.

FROM VICEROY, FINANCE DEPARTMENT, to SECRETARY OF STATE FOR INDIA.

(Received 10.0 a.m., 5th June, 1921.)

31ST MAY. 3213 W.C. Your telegram dated 7th May, 2363, Baghdad, telegram 20th May, 120. Mesopotamia Finances. So long as we are assured of repayment, without trouble, of all sums drawn by Mesopotamia from India, we have no objection to continuance of sale of transfers on India by High Commissioner. His Majesty's Government will, however, no doubt, agree with us that indefinite sales, in excess of Government requirements, cannot be permitted simply to meet trade demands. Sales will also have to be regulated with reference to our ability to provide funds to meet corresponding payments in India, and it should be recognized that drawings might have to be curtailed at any time in the event of our Ways and Means position in India requiring it, though we do not anticipate such a contingency is likely to occur at present. High Commissioner should arrange also to furnish our Controller of Currency with monthly estimate of drawings, in accordance with arrangements to be prescribed by latter. All drawings on India should in future be by transfers, or Bills on Bombay and Calcutta of rupees 50,000, or more, casual sale of supply bills for smaller amount being stopped.

Paragraph 2. If it is decided that sale of transfers by High Commissioner will continue, we should, after 1921-22, prefer to adjust them outside the War Accounts, as Civil transactions. Addressed Secretary of State for India, and repeated to High Commissioner, Baghdad. By Command.

28133

No. 19.

COLONIAL OFFICE to INDIA OFFICE.

[*Answered by No.* 32.]

SIR, Downing Street, 14th June, 1921.

I AM directed by Mr. Secretary Churchill to acknowledge the receipt of Mr. Wakely's letter of the 4th instant,* on the subject of the incidence of political expenditure in Arabistan.

I am to request you to inform the Secretary of State for India that Mr. Churchill concurs in the terms of the communication which it is proposed to address to the Government of India, provided that arrangements are made for the prompt reimbursement to the civil administration of Mesopotamia of all expenditure incurred by it in this connexion.

I am, at the same time, to observe that it appears from a telegram recently received from the High Commissioner that on the 31st of March last sums of three lakhs and six lakhs, respectively, stood charged to suspense accounts in respect

* No. 16.

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of expenditure defrayed by the civil administration in Arabistan and North-West Persia. It is desired to effect an early settlement of the various claims and counter claims as between the civil administration of Mesopotamia and His Majesty's Government in respect of expenditure prior to the current financial year, and I am to request that the Government of India may be invited to repay these outstanding amounts to the civil administration of Mesopotamia forthwith, reclaiming from the Foreign Office so much of the expenditure as may be chargeable to that Department in the ordinary way.

I am, &c.,
J. E. SHUCKBURGH.

31405

No. 20.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 12.44 p.m., 21st June, 1921.)

TELEGRAM.

(Paraphrase.)

20TH JUNE. No. 210. Your telegram No. 113, 27th May.*

First: £680,000 probably represents aggregate of annual surpluses Civil Administration Revenue Accounts up to some date not later than March, 1919. Suggest that you inquire from India Office. Rupee(s) 16 lakhs is resultant of (*a*) annual surpluses on revenue accounts up to March, 1920, rupees 230 lakhs, *minus* (*b*) estimated deficit on revenue account for 1920 (three groups undecipherable), rupees 214 lakhs. £680,000 is not additional to rupees 16 lakhs.

Secondly: Rupees 159 lakhs in third (*a*) includes value revenue grain transferred to military 64 lakhs, mechanical transport spare parts 2 lakhs, hire of cars loan to military 3 lakhs, post and telegraphs services 11 lakhs, share accepted by military of cost of irrigation works undertaken primarily for military reasons 10 lakhs, disbursements by civil departments on behalf of military formations for supplies and other purposes 53 lakhs, miscellaneous 16 lakhs. War Office may possibly dispute general question of incidence of portions of last two items, but had raised no objection in principle to first five items subject to examination of details.

Thirdly: Accounts of port, post, and telegraphs are kept on commercial basis. When bills are issued a revenue head is by *per contra* debit in suspense pending collection of claim from military department concerned. Figures of third (*b*), under post 15, and telegraphs 4, are for most part as suggested by you. Considerable portion of railways 84, and port 22, arises from military departments showing twenty-five per cent. normal tariff charges under instructions from War Office, and to this extent figures are not undisputed. As far as War Office is concerned, there is no essential difference between nature of claims under third (*a*) and third (*b*). Only essential difference is method of accounting adopted in civil accounts. Claims under third (*a*) had not been incorporated in revenue accounts, and would only have been credited as revenue when collected. Claims under third (*b*) had already been incorporated in revenue accounts by debit to suspense head, and on civil side only suspense heads would have been affected if collection had been proceeded with.—Cox.

31405

No. 21.

MR. J. C. CARR (Treasury) to MR. R. V. VERNON (Colonial Office).

[*Answered by No.* 22.]

DEAR VERNON, Treasury Chambers, Whitehall, 24th June, 1921.

COLONIAL OFFICE letter of the 8th instant,† transmitting copies of telegrams to and from Mesopotamia on finance. We note that you are still pursuing the matter with Mesopotamia, and that some information is being extracted. One or two points not raised in your last telegram are still not clear to us, but probably you have the answers.

* No. 12. † 26704: not printed.

(1) Was anything provided by War Office in their Estimates this year and taken over by you in the £24,221,000 for repayment to Civil for services rendered prior to 31st March last—i.e., is any part of the £2,650,000 included in the £24,221,000?

(2) *Refugee Camps*, 24 lakhs.—Is this expenditure on the Armenian and Assyrian refugees for which provision was made on Army Votes up to 31st March last, or are these still further refugees? (Civil do not show it as due from military.)

(3) 30 lakhs is taken at Ottoman Debt annuity. Sir A. Block gave a figure of £350,000 sterling (?gold), Colonial Office letter of the 13th instant.* This would increase the deficit.

Political expenditure in Arabistan and North-West Persia (9 lakhs).—If this is ordinary political expenditure (as is apparently the case), I assume it should be shared equally between us and India (Diplomatic and Consular Vote, L.L.) and, unless there is some hope that in future Mesopotamia will take it over, the best plan would seem to be to treat it separately and claim our half from India.

Can we not get more detailed information as to the amount borrowed from India for these services on which to base a rupee rate of exchange?

One other point strikes me; the total deficit shown is not sufficient to explain where the money order receipts (on which India claims some eight million pounds) have gone.

Yours, &c.,

J. C. CARR.

31405

No. 22.

MR. R. V. VERNON (Colonial Office) to MR. J. C. CARR (Treasury).

(Extract.)

DEAR CARR, Middle East Department, Colonial Office, S.W., 25th June, 1921.

YOUR letter of the 24th,† about the Civil deficit in Mesopotamia. I am writing to Barstow, enclosing a further telegram from Mesopotamia (which has already gone to the Treasury officially) and suggesting a conference with you and the War Office. The whole business is very complicated, and I am afraid we have not got to the bottom of it.

With regard to the various points made in your letter:—

(1) Only the War Office can answer this. They telegraphed to their financial adviser in Mesopotamia about it and have had a reply, which I have not yet seen.

(2) The Refugee Camp expenditure must be for Russians, Armenians, and Assyrians, and was, I think, a proper charge on the War Office, but the civil administration probably only knew that it was a charge on His Majesty's Government.

(3) I had noted that the sum provided for the Ottoman Debt Annuity was less than Sir Adam Block's estimate. The latter is, of course, only an estimate, and the amount cannot be finally determined until we know, among other things, the exact boundary of Mesopotamia, but I fear there is no doubt that thirty lakhs will prove to be insufficient.

(4) We have already written to the India Office suggesting that they should pay us the amount in respect of political expenditure in Arabistan and North-West Persia, reclaiming whatever may be due from the Foreign Office.

(5) The question of the civil deficit and the question of the balance payable to India in respect of money orders are closely interwoven, and I have sent the correspondence about the deficit to Kisch, of the India Office. If the accounts are ever to balance I think we ought to get the following equation:—

So called civil deficit on 31st March, 1921, plus cash in hand in Mesopotamia on that date, plus sums remitted from India in previous years on account of surplus revenues: equals balance payable to India in respect of money orders.

Yours, &c.,

R. V. VERNON.

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* 27937: not printed. † No. 21.

No. 23.

TABLE I.

REVENUE AND EXPENDITURE ACCOUNT AS ON 31ST MARCH, 1921.

	Rs.		Rs.
Excess of revenue actually received over expenditure to 31st March, 1920 ...	105,00,000	(A)	
Credited as revenue, but not yet paid by War Office:—			
Railways	84,00,000		
Port	22,00,000		
Posts	15,00,000		
Telegraphs	4,00,000		
	125,00,000	(B)	
Expenditure claimed to be repayable by War Office:—			
Revenue grain ...	64,00,000		
Mechanical Transport spare parts	2,00,000		
Hire of cars	3,00,000		
Posts and Telegraphs ...	11,00,000		
Irrigation works ...	10,00,000		
Disbursements by Civil departments ...	53,00,000		
Miscellaneous	16,00,000		
	159,00,000	(C)	
	389,00,000		

	Rs.
Excess of expenditure over revenue (1920-21)	214,00,000
Debts due to War Office	39,00,000
Ottoman Public Debt Annuity (1920-21)	30,00,000
	283,00,000
Balance	106,00,000
	389,00,000

[SEE OVER.

31405

TABLE II.

POSITION RESULTING FROM CAIRO DECISIONS.

		Rs.	Rs.
Expenditure as in Table I	... ...	283,00,000	
Less :—			
Debts to War Office not payable	... ...	39,00,000	
			244,00,000
Revenue as in Table I	... ...	389,00,000	
Less :—			
Revenue not receivable ((B) in Table I)	... ...	125,00,000	
Expenditure not repayable ((C) in Table I)	... ...	159,00,000	
		284,00,000	
		105,00,000	
Deficit	.. ..	139,00,000	(D)
		244,00,000	

TABLE III.

EXPENDITURE EXCLUDED FROM TABLES I AND II.

	Rs.	Rs.	
Charged to Suspense accounts pending repayment by His Majesty's Government :—			
Arabistan	3,00,000		
North-West Persia	6,00,000		
Refugee camps, 1919-20	5,00,000		
Refugee camps, 1920-21	19,00,000		
Rents, military billets	8,00,000		
Miscellaneous	14,00,000		
		55,00,000	
Capital expenditure claimed to be repayable by His Majesty's Government :—			
Railways	59,00,000		
Ports	12,00,000		
		71,00,000	
		126,00,000	(E)

TABLE IV.

SUM REQUIRED TO BE PROVIDED TO BALANCE ACCOUNTS.

	Rs.
Deficit resulting from Cairo decisions ((D) in Table II) ...	139,00,000
Expenditure excluded from Tables I and II ((E) in Table III)	126,00,000
	265,00,000

R. V. V.

29th June, 1921.

35978

No. 24.

NOTES OF A DISCUSSION AT THE TREASURY ON 4TH JULY, 1921.

FINANCIAL POSITION OF MESOPOTAMIA.

A DISCUSSION took place at the Treasury, on 4th July, 1921, on the subject of the financial position of Mesopotamia, and the claim of the Government of India in respect of money orders.

The following were present :—Sir George Barstow, Treasury; Mr. Headlam, Treasury; Mr. Carr, Treasury; Mr. Evans, Treasury; Mr. Crosland, War Office; Mr. Whittle, War Office; Mr. Vernon, and Mr. Swan, Financial Adviser's Office, Bagdad.

(1) The first point discussed was the future arrangements to be made with regard to drawings on India.

Mr. Vernon stated that the Government of India had intimated that they were not prepared to finance Mesopotamia further, unless they were guaranteed that as from the 1st April last, at any rate, there would be a prompt settlement of the accounts in this connexion. He added that he had given such an assurance semi-officially to the India Office. He then explained that he was about to put forward a proposal on the following lines :—

All further cash drawings to be by the civil administration. Such drawings to be made as before by means of: (*a*) money orders; (*b*) bills on India; (*c*) currency chest at Basrah. The net sums due on account of money order transactions to be telegraphed about two months in arrear, and settled by the Colonial Office in London. Total drawings, otherwise than by money order, to be telegraphed monthly to the Colonial Office. The High Commissioner to report how much of the total drawings, including money orders, has been transferred to the military. Claims by the India Office to be met by the Colonial Office, so far as funds are available, from the Middle Eastern Services Vote. The Colonial Office will charge the sums retained by the civil administration as advances recoverable from Mesopotamia, and the amounts handed over to the military as imprests against sub-heads (C) and (D) of the Middle Eastern Services Vote. These amounts will be converted at the monthly sterling rupee rates fixed by the Treasury for adjustments between the Indian and Imperial Exchequers. The imprests will be cleared when accounts are received from the War Office of expenditure in Mesopotamia.

It was generally agreed that procedure on these lines need present no difficulty, and should assure the Government of India of prompt repayment of the sums due to them. From telegrams received from the High Commissioner, it appeared that drawings otherwise than by money order for the months of April and May had been 73 and 86 lakhs, respectively, and that cash assignments to the military had been 65 lakhs, 55,000 rupees, and 75 lakhs for the same months respectively. The Colonial Office would write to the India Office and War Office to initiate the new procedure so soon as they had cleared up the question of the manner in which the Air Ministry financed themselves in Mesopotamia.

(2) The question of the position with regard to the money order claims of the Government of India was then discussed, and Mr. Swan explained the actual procedure which had been followed in Mesopotamia. It appeared that the Government of India had been responsible for controlling the audit of the accounts of the civil administration up to the end of the financial year 1918-19. The position with regard to the financial year 1919-20 was uncertain. The accounts had been sent from Mesopotamia to India, but before the close of that financial year the Government of India had disclaimed responsibility for audit in future, and it was uncertain whether they had conducted any audit of the accounts for the year then current or not. In any case the accounts had been sent to India, and it ought to be possible for the Controllor of War Accounts to say what assignments had been made by the civil administration to the military authorities during the two financial years ending 31st March, 1920. The figures of such assignments, if ascertained by the Government of India and accepted by the War Office as not having been already included in the Indian War Accounts, would represent the debt by the War Office to the civil administration, the payment of which would enable the civil administration to liquidate the money order account with India.

Mr. Crosland said that he understood the question to be purely one of a cash adjustment, which did not affect the figures for expenditure already brought to account. Even so, he could not conceive how large amounts could still be outstanding. It was agreed that there should be a further conference with the India Office at which the War Office and the Treasury should be represented, and at which it should be possible to formulate the request for further information which it would be necessary to address to the Government of India.

(3) The position of the deficit in the accounts of the civil administration on 31st March, 1921, was then discussed.

Mr. Vernon submitted tables* based on the High Commissioner's telegrams, showing that if the figures in these telegrams were accepted as accurate, and if they were nowhere included in any sums in the Estimates, an additional amount of over £2,000,000 would be required in order to balance the accounts of Mesopotamia on 31st March, 1921.

It was agreed, in the first place, that it would not be possible to ask Parliament to provide additional money during the current session in view of the uncertainty as to the amount required, and the extent to which the money might be available from sums already voted. It appeared from telegrams received by the War Office that the figures in the High Commissioner's telegram were disputed by the Command Paymaster, and that the local military and civil authorities were still engaged in an endeavour to reconcile them.

* No. 23.

Mr. Crosland said that, as far as he was at present aware, the only one of the claims specified which had been so far accepted by the local Military authorities was the 64 lakhs for revenue grain supplied (it was understood) in 1918, and that even this had apparently not been included in the local Military Estimates, possibly on the assumption that the reciprocal writing-off of old claims which appeared to have been for a long time under discussion locally would be approved. He could not yet say whether the smaller items of 2 lakhs for Mechanical Transport spare parts, 3 lakhs for hire of cars, and others, had been included.

(On a point of detail, Mr. Swan thought that the item of 8 lakhs for Military Billets, shown in Table III, probably represented the difference between the rents paid by the Military on a loss basis and the amounts paid by the Civil Government to the owners on some more liberal basis.)

It was agreed that the process of reconciling the accounts should be continued and that the War Office should investigate the question how far provision had been made in their estimates to meet any of the charges represented by the various claims of the civil administration against the War Office. To the extent to which such provision might have been made the claims should be met by a payment to Mesopotamia.

Mr. Vernon pointed out that it was possible that the effect of the procedure proposed might be that Mesopotamia would be short of funds later on in the year, and that it would probably not be legitimate for the Colonial Office to finance Mesopotamia out of the provision in sub-heads (C) and (D) of the Middle Eastern Services Vote for repayment to the War Office and Air Ministry.

Sir George Barstow agreed that if the situation apprehended arose, it would be necessary to find some means of financing the civil administration of Mesopotamia. The Government of India, the Civil Contingencies Fund, and the Crown Agents were suggested as possible sources from which accommodation might be obtained, but it was agreed that the matter could be better considered if and when the situation actually arose.

R. V. V.

5th July, 1921.

27529

No. 25.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 12.35 p.m., 9th July, 1921.)

TELEGRAM.

[*Answered by No.* 45.]

9TH JULY. No. 233. Your telegram of 27th May, No. 137.* First, further inquiries are being addressed to India with regard to position up to 31st March, 1920. Your telegram indicates net credit in favour of India for ten months, April, 1920, to January, 1921, inclusive, of about 511 lakhs. Can you now state complete figures for year 1920-21? Secondly, what was total of cash assignments to military during 1920-21?

Attached to 35978

No. 26.

TELEGRAPHIC CORRESPONDENCE BETWEEN THE WAR OFFICE AND THE ARMY LOCAL AUDITOR, MESOPOTAMIA.

(1)

WAR OFFICE to FINANCIAL ADVISER, MESOPOTAMIA.

TELEGRAM, dated 21st May.

58408. F.1. 21/5. Reference correspondence regarding adjustments with Civil Administration, proposal is now made that all old claims and all doubtful claims outstanding on either side on 31st March, 1921, should be abandoned and liabilities taken over by Colonial Office; this would not apply to current repayment transactions on which no dispute arises.

* No. 15.

Do you agree with figures in telegram No. 84, of 6th May,* from High Commissioner to Colonial Office? Give sufficient detail to make position clear.

Has any provision been made in any Estimate sent by General Officer Commanding to War Office for 1920-21 or 1921-22 for either payments or receipts which would be abandoned on either side under the new proposal? If so, give details. Reply by cable.

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(2)

LOCAL AUDITOR, BAGDAD, to WAR OFFICE, LONDON.

TELEGRAM, dated 27th May.

40/11. 27/5. Your telegram 21st May, 58408 F.1.† Comparison of figures in telegram from High Commissioner being made, and reply will be sent shortly. Provision traced in Estimates 1920-21 for following:—

Army Receipts:—
River Freight, telegram (from) 31st March, 1920, Q/5167.
Electric Light and Water, telegram (from) 16th December, 1919, Q/5126.
My letter, 20th October (?/11/10), 20th October, to Bovenschen.
Gave receipts sale of coal and oil.

Army Expenditure:—
Railway, telegram (from) 11th December, 1919, Q/5126/1. X7836.
Port Dues, by letter (from) 17th September, 1920, Q/5542/1.
Posts, by letter (?), 12th January, 1921, Q/5531.
Telegraphs, by letter (from), 13th July, 1920, A/1602.
Telephones, by letter (from), 10th November, 1920, A/1615.
No provision made in any estimate 1921-22 for amounts abandoned in respect to prior years.

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(3)

LOCAL AUDITOR, BAGDAD, to WAR OFFICE.

TELEGRAM, received 9th June, 1921.

40/112/6. Your telegram 21st May, 58408. F1.† Figures in telegram from High Commissioner not agreed to. Civil claim against military. Command Paymaster admits only 155 lacs instead of 339 claimed. Military claim against civil . . . Command Paymaster's records show 99 instead of 39 lacs. Further attempts will be made to effect reconciliation.

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(4)

THE LOCAL AUDITOR, MESOPOTAMIA, to WAR OFFICE,

TELEGRAM, dated 1st July.

40/11. 1st July. With reference to your telegram of 21st May, 58408/F.1,† difference between High Commissioner and Command Paymaster's figures not explained yet. Both sets of figures include large proportion of claims which are neither old nor doubtful, and if adjustment of these is required instructions should be sent immediately to General Officer Commanding, and by Colonial Office to High Commissioner. Command Paymaster has many items in Suspense Account which will fall to be charged to, or credited to, votes of 1920-21 if decision to abandon claims is received in time. See your telegram 13th May, 58217, Accounts 1.

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* No. 9. † No. (1).

(5)

(121/3/2154.)

WAR OFFICE to FINANCIAL ADVISER, MESOPOTAMIA.

TELEGRAM, dated 4th July.

F.1. 4th July. Your 40/112/6 received 9th June.* How is reconciliation of High Commissioner's figures proceeding? Report early main items in dispute and on what questions dispute turns.

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(6)

THE LOCAL AUDITOR, MESOPOTAMIA, to WAR OFFICE,

TELEGRAM, dated 12th July.

40/11. 12th July. Your telegram 4-7 59549. F.1. High Commissioner has only just agreed to furnish details in support of his figures. Till these details are given cannot account for difference.

35241

No. 27.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE

(Received 1.53 p.m., 15th July, 1921.)

TELEGRAM.

[*Answered by No.* 38.]

13TH JULY. No. 296. With reference to my telegram 27th May, No. 136,† presume I shall not be asked to finance Arabistan for July onwards.—Cox.

36346

No. 28.

INDIA OFFICE to COLONIAL OFFICE.

(Received 21st July, 1921.)

[*Answered by No.* 30.]

SIR, India Office, Whitehall, S.W., 20th July, 1921.

WITH reference to previous correspondence regarding Mesopotamian finance and the recent Conference held on this subject at the India Office, I am directed to enclose, for favour of formal concurrence, a draft of a telegram addressed to the Government of India regarding settlement of money order transactions between Mesopotamia and India. It is understood from demi-official communications between representatives of the India Office and the Colonial Office that there is no objection on the part of the Colonial Office to the terms of the telegram, and subject to formal concurrence of the Departments of His Majesty's Government concerned, it is proposed to despatch it to the Government of India. The favour of a very early reply is requested.

I am to request that a copy may be furnished to this Office of any communications issued in this connexion to the High Commissioner, Baghdad.

A copy of a letter addressed to the Treasury and War Office is enclosed.

I have, &c.,

C. H. KISCH.

Enclosure 1 in No. 28.

(Draft Telegram.‡)

SECRETARY OF STATE to VICEROY, FINANCE DEPARTMENT.

MY financial Secretary's letter of 16th June, F. 6646, Mesopotamia Money Orders.

While not questioning liability of Mesopotamian Government to Government of India in respect of unadjusted arrears, Treasury emphasize difficulty of asking Parliament to vote necessary appropriation until they are in a position to account

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* No. (3). † No. 14. ‡ The telegram, in the terms printed here, was sent on 8th August.

for expenditure to which proceeds from sale of money orders have been devoted. It appears from paragraph 4 of your telegram, of 11th April, that substantial portion of 1919-20 money order claim will be debitable to War Office.

2. What is in fact required is to correlate money order claim with actual distribution as between civil and military of total sums drawn from India by all methods. This can apparently best be done by furnishing statement showing in summary form Ways and Means position of Mesopotamian Government for 1919-20. Such statement should be shown under a few main heads, such as:—(*a*) revenue receipts of Civil Administration of all descriptions, not including sums booked as revenue, but not actually paid by Army; (*b*) proceeds of drafts on India; (*c*) issues from Currency Chest and (*d*) receipts from money order transactions and on other side of the account; (*e*) civil expenditure, including sums claimed to be repayable by Army, and sums charged to suspense account pending recovery from His Majesty's Government; (*f*) issues to military. It is not clear here how such issues to military by Mesopotamia civil have been brought to account in monthly classified abstracts of Field Controller, Mesopotamian Expeditionary Force. It is essential to give clear explanation on this point in order to satisfy Treasury and Parliament, and you will be best judge of form explanation should take for this purpose. What in fact I require is to be able to exhibit clearly relation between amounts already charged through War Accounts and those which remain to be adjusted. Difference between these amounts will presumably represent outstanding money order claim which should be presented in form showing amounts due in respect of each month, so that appropriate exchange rate may be applied. It is understood that materials for preparation of self-contained statement on above points are in your possession as accounts of Civil Administration for year 1919-20 have been forwarded to India. Please despatch statement by mail with any necessary explanation, and advise me by telegraph of despatch. In statement, you should make it clear what proportions outstanding are chargeable against civil and military, respectively.

3. Colonial Office are asking High Commissioner for details required in respect of 1920-21 transactions, but they ask that you should state what amount you have charged against War Office in War Accounts in respect of funds remitted to Mesopotamia in 1920-21.

4. You will understand from paragraph 2 above that apart from difficulty for Parliamentary and other reasons of obtaining settlement of money order arrears owing to belated claim, the position is complicated by absence of accounts which, as regards 1919-20, the Colonial Office state have been remitted to you for audit. Difficulties are likely to be increased by extension of delay, and in view of the importance of speedy submission of statements now asked for, please consider whether it would not be desirable to depute an Accounting Officer specially for the purpose.

5. My telegram, 5th March, Current Money Order Transactions. Colonial Office have received no statement of balance due in respect of expired months of present financial year. Similarly, I have not received information which you proposed to furnish *vide* paragraph 2 of your telegram of the 21st January. How does matter stand?

Enclosure 2 in No. 28.

SIR, India Office, Whitehall, London, S.W.1, 20th July, 1921.

WITH reference to previous correspondence regarding Mesopotamian finance and the Conference held on this subject at the India Office, I am directed to enclose, for favour of concurrence, draft of a telegram which, subject to any observations and to the formal concurrence of the other Departments concerned, it is proposed to despatch to the Government of India regarding the settlement of money order transactions between Mesopotamia and India. The demi-official concurrence of the Colonial Office in the terms of the telegram has already been signified. A similar letter has been sent to the [Treasury.] [War Office.]

The favour of a very early reply is requested.

A copy of a letter addressed to the Colonial Office is enclosed.

I have, &c.,

C. H. KISCH.

The Secretary,
[War Office.] [Treasury.]

35241

No. 29.

COLONIAL OFFICE to INDIA OFFICE.

[*Answered by No.* 32.]

SIR, Downing Street, 20th July, 1921.

I AM directed by Mr. Secretary Churchill to refer to this Department's letter of the 14th of June,* regarding political expenditure in Arabistan, and to transmit to you, for the consideration of Mr. Secretary Montagu, the accompanying copy of a telegram† upon the subject which has been received from the High Commissioner of Mesopotamia.

2. Subject to the concurrence of Mr. Montagu, Mr. Churchill proposes to inform Sir P. Cox that such expenditure should be charged against the Government of India, and the necessary adjustments with that Government effected at the end of every month, unless the Government of India would prefer to make the necessary arrangements for providing funds direct.

3. I am to take this opportunity to invite the attention of Mr. Montagu to paragraph 3 of this Department's letter under reference, and to say that Mr. Churchill would be glad to learn when and by what method the sum of nine lakhs mentioned therein will be refunded by the Government of India.

I am, &c.,
J. E. SHUCKBURGH.

36348

No. 30.

COLONIAL OFFICE to INDIA OFFICE.

SIR, Downing Street, 23rd July, 1921.

I AM directed by Mr. Secretary Churchill to acknowledge the receipt of your further letter of the 20th of July‡ and enclosure regarding Mesopotamian finance, and to state, for the information of Mr. Secretary Montagu, that Mr. Churchill concurs in the terms of the draft telegram upon the subject which Mr. Montagu proposes to despatch to the Government of India.

2. Copies of this letter are being addressed to the Treasury, the War Office, and the Air Ministry.

I am, &c.,
J. E. SHUCKBURGH.

37613

No. 31.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 1.2 p.m., 26th July, 1921.)

TELEGRAM.

(No. 329.)

23RD JULY. Your telegram 29th June, 209.§ Following are figures of estimated revenue and expenditure for financial year 1921-22. This is liable to alterations, as in some cases detailed figures not received yet from Departments, while others have only just come to hand and have not yet been closely scrutinized. Further, the Estimates have not yet been approved by the Council of State. I do not, however, anticipate many changes of importance. Details will follow by mail as soon as possible. Figures in following message are in lakhs of rupees. They are exclusive of Railways and Basrah Port in addition to items financed from Imperial funds, e.g., Levies and Repatriation. No provision made for payment of Charges on Account of Ottoman Public Debt.

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* No. 19. † No. 27 ‡ No. 28. § 26416: not printed.

Receipts.—Customs and Excise, 297; Land Revenue, Date tax, Koda, and Miscellaneous Revenue, 192½; Political and General, 4; Judicial, 9; Tapu, 13; Health, 4¾; Works, 12¾; Posts, 37; Telegraphs, 42; Miscellaneous, including contribution from His Majesty's Government towards the High Commissioner budget contribution municipality, and receipt of following Departments, Education, Press, Police, Jails, Agriculture, Veterinary, 15; total, 627.

Expenditure.—High Commissioner, 10; Ministries and Advisers, 6; Council of State, 2½; Customs and Excise, including 35 on account of refunds and drawbacks, 50½; Finance and Accounts, 13; Non-effective, 25; Jails, 7; Agriculture, 7¼; Baghdad rents, 4½; Stationery, 4½; Veterinary and remounts, 5½; District Advisory Staff and establishment, 77; Arab Army, 55; Police and Gendarmerie, 70½; Judicial, 17½; Tapu, 8; Education, 20; Health, 37¼; Irrigation, 40¼; Works, 69¾; Surveys, 2; Posts, 37; Telegraphs, 36; Miscellaneous, including Pension Contributions, Foreign Agencies, Civil List, Constituent Assembly Election Expenses, Press, 15; total, 621.—Cox.

37938

No. 32.

INDIA OFFICE to COLONIAL OFFICE.

(Received 28th July, 1921.)

SIR, Whitehall, London, S.W.1, 27th July, 1921.

I AM directed by the Secretary of State for India in Council to acknowledge receipt of your letters of 14th June and of 20th July,* regarding the adjustment of expenditure defrayed by the Civil Administration of Mesopotamia in Arabistan and North-West Persia.

So far as concerns the sum of rupees three lakhs reported by Sir P. Cox to have been expended on services in Arabistan, the Secretary of State is causing instructions to be issued to the Government of India in the sense indicated in my letter of 4th June.† A copy of the letter addressed to the Government of India is enclosed. He is unable, however, to request the Government of India similarly to dispose of the sum of rupees six lakhs reported to have been defrayed by the Civil Administration of Mesopotamia in North-West Persia. The maintenance of Consular establishments in North-West Persia is normally met in the first instance by the Foreign Office (to whom a copy of this correspondence is being sent) and subsequently adjusted with the Government of India. In so far as this sum of rupees six lakhs may cover expenditure on the sanctioned Consular establishments in North-West Persia, the most convenient course would appear (subject to the views of the Secretary of State for Foreign Affairs) to be that the Civil Administration should claim refund from the Foreign Office, who would subsequently effect the necessary adjustments with this Office.

But it appears probable that a portion of the sum of rupees six lakhs represents expenditure on political appointments, additional to the sanctioned cadre, which were necessitated by the political requirements of the North Persian Force. The cost of these would appear to be debitable to Army funds, but to whatever section of Imperial revenue it may be debitable, the Secretary of State, as at present advised, cannot accept any portion of it as a charge upon Indian revenues.

It is being suggested to the Foreign Office (*vide* copy of letter enclosed) that possibly the most suitable procedure would be for the High Commissioner to submit accounts of the expenditure of rupees six lakhs in North-West Persia to your Department for transmission to the Foreign Office, who could scrutinize them with a view to adjustment in appropriate proportions with this Office in so far as concerns the cost of the normal establishments, and with other Departments of His Majesty's Government in respect of additional appointments.

I have, &c.,
L. D. WAKELY

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* Nos. 19 and 29. † No. 16.

Enclosure 1 in No. 32.

SIR, India Office, Whitehall, London, S.W.1, 28th July, 1921.

WITH reference to correspondence ending with Sir P. Cox's telegram 744 S, of 27th May, repeated to your address, I am directed by the Secretary of State for India in Council to forward copy of the marginally noted correspondence with the Foreign Office and Colonial Office regarding the adjustment of expenditure incurred by the Civil Administration in Mesopotamia on political services in Arabistan and North-West Persia. It will be seen that the Secretary of State is not prepared to accept as a charge on Indian revenues, even in the first instance and as subject to adjustment, any part of the expenditure defrayed in North-West Persia; though such portion of it as represents the cost of maintenance of the normal Consular establishments will no doubt be recovered, as to a moiety, by the Foreign Office in due course from Indian revenues through this Office.

India Office to Colonial Office, dated 4th June, 1921.*
India Office to Foreign Office, dated 4th June, 1921.
Colonial Office to India Office, dated 14th June, 1921.†
Colonial Office to India Office, dated 20th July, 1921.‡
India Office to Colonial Office, dated 27th July, 1921.§
India Office to Foreign Office, dated 27th July, 1921.‖

Political expenditure in Arabistan is, however, normally borne, in the first instance, by Indian revenues, and the Secretary of State is led to believe that expenditure of this nature defrayed by the Civil Administration in Mesopotamia for reasons of practical convenience during the past few years is in process of being adjusted as between Indian and Mesopotamian revenues. If so, the sum of rupees three lakhs mentioned by the Colonial Office no doubt represents the unadjusted balance as it stood on 31st March, 1921.

I am to request that in so far as this sum may represent expenditure for which Indian revenues are liable under existing arrangements either wholly, or to the extent of a moiety, it may be repaid to the Civil Administration and brought to account in India with a view to adjustment with Imperial revenues through the accounts for Diplomatic and Consular expenditure in Persia.

In case any further outlay by the Civil Administration of Mesopotamia in Arabistan is necessary, I am to invite attention to the second paragraph of the Colonial Office letter of 20th July enclosed, and to request that arrangements may be made to the mutual convenience of the Government of India and the High Commissioner for the rapid adjustment of such expenditure.

I am, &c.,
L. D. WAKELY.

The Foreign Secretary to the Government of India.

SIR, India Office, Whitehall, London, S.W.1, 4th June, 1921.

I AM directed by the Secretary of State for India to transmit, with reference to my letter of 17th May, a copy of a telegram received from the High Commissioner, Mesopotamia, regarding certain outlay, since 31st March, from the resources at his disposal on political expenditure in Arabistan.

Sir P. Cox appears to have overlooked the Government of India's telegram No. 491 S, of 6th April last,¶ which was repeated to his address, and which clearly contemplated that from 1st April, 1921, all expenditure of the kind in question should be borne, like Diplomatic and Consular elsewhere in Persia, by your Department and Indian revenues in equal shares.

The Secretary of State would be glad to receive the assurance requested in the last paragraph of my letter of 17th May. On its receipt, the Government of India will be requested to make an intimation to the High Commissioner (if they have not already done so) that it is not intended that British political expenditure in Arabistan should be a charge upon Iraq revenues, and to refund him (for subsequent adjustment in the Diplomatic and Consular Persia Accounts) the expenditure which he appears to have met in Arabistan since 31st March.

A letter in the above sense has been sent to the Colonial Office.

I have, &c.,
L. D. WAKELY.

The Under Secretary of State,
Foreign Office.

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* No. 16. † No. 19. ‡ No. 29. § No. 32. ‖ Enclosure 2. ¶ Copy forwarded to Foreign Office in India Office letter of 8th April.

Enclosure 2 in No. 32.

SIR, India Office, Whitehall, London, S.W.1, 27th July, 1921.

WITH reference to my letter of 4th June, I am directed by the Secretary of State for India in Council to forward, to be laid before the Secretary of State for Foreign Affairs, copy of the marginally noted correspondence with the Colonial Office, regarding the adjustment of expenditure on political services in Persia which has been defrayed by the Civil Administration in Mesopotamia.

India Office to Colonial Office, P. 2518, dated 4th June, 1921.
Colonial Office to India Office, 28133, dated 14th June, 1921.
Colonial Office to India Office, 35241, dated 20th July, 1921, and enclosure.
India Office to Colonial Office, 3286, dated 27th July, 1921.

So far as concerns expenditure on the Consular posts in Arabistan, the whole cost of which is normally met in the first place by India and a moiety recovered from your Department, the Secretary of State is causing the Government of India to be instructed to refund to Mesopotamian revenues such portion of the sum of rupees three lakhs, mentioned by the Colonial Office, as represents expenditure on political services. A moiety thereof will be claimed in due course from your Department in the accounts for Diplomatic and Consular expenditure in Persia.

As regards the sum of rupees six lakhs stated to have been expended in North-West Persia by the Civil Administration in Mesopotamia, I am to request that if the Secretary of State for Foreign Affairs considers the procedure indicated in the last paragraph of this Office letter, of the above number and date to the Colonial Office, suitable, he will so inform that Department in order that Sir P. Cox may be instructed accordingly.

I have, &c.,
L. D. WAKELY.

The Under Secretary of State,
Foreign Office.

40372

No. 33.

LOCAL AUDITOR, BAGHDAD, to WAR OFFICE.

(Telegram, dated 28th July, 1921, as amended by telegram of 1st August, 1921.)

40/11. Your telegram 4th July, 59549 F.1. Civil Administration admit that 85 lakhs due from them. Balance of 14 lakhs represents claims presented, but insufficient vouchers.

Civil Administration claim, now reduced to 306 lakhs, includes:—

	Lakhs.
Port dues, unpresented bills, and extra twenty-five per cent.	11
Railway reinstatement charges, unpresented bills, and extra twenty-five per cent.	69
Unpresented claims for various services, excluding Ports and Railways. Some claims, such as Postal Service, acceptable, but admissibility of others not ascertainable without detailed examination after claims have been rendered	62
Referred to India, ? included in account of Controller, War Accounts ...	35
Expenditure Political Officer, Arabistan and North-Western Persia, for which vouchers non-existent	13
Disallowed by Command Paymaster	5
	195
Admitted by Command Paymaster	111
Total	Lakhs 306

38204

No. 34.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 7.35 p.m., 28th July, 1921.)

TELEGRAM.

25TH JULY. No. 333. Firstly: under decisions Cairo Conference, all expenditure (of) Civil and Military in Iraq up to 31st March last is to be treated as Imperial. Excess expenditure over aggregate of civil revenues plus War Office votes sanctioned by Parliament is to be ?met by a supplementary Colonial Office vote.

Secondly: to enable me to ascertain amount required will be obliged if you would wire figure(s) for civil revenues and civil expenditure chargeable against revenue up to 31st March last as compiled year after year by Controller of War Accounts. I also need schedules of expenditure incurred by India on our behalf from 1st April, 1919, to 31st March, 1921, to enable me to close my accounts for this period. Could these be forwarded urgently, please?

Addressed Finance, Simla, No. 1954; repeated Secretary of State for Colonies. —Cox.

38177

No. 35.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 2.20 a.m., 29th July, 1921.)

TELEGRAM.

25TH JULY. No. 336. It is desirable to settle procedure for the adjustment of transactions between Iraq from 1st April last. You have been already authorized rupee account current between your Accountant-General Post and Telegraph and our Deputy ?Accountant-General Post and Telegraph for settlement of transactions between the two postal and telegraph administrations. I suggest that rupee account current be authorized from 1st April last between Controller of War Accounts [? or] other central accounts officer in India and my ?Accountant-General for adjustment of all other transactions. Outstanding rupee balance can be settled monthly by my drawing a telegraphic transfer in your favour. All major drawings by telegraphic transfers, supply bills, and currency transfers to be excluded from rupee account current and to ?be settled monthly on sterling basis by the Secretary of State for the Colonies on figures telegraphed by me, funds being obtained by ?recovering from War Office sterling equivalent to my assignments to Command Paymaster. ?I suggest this procedure will be more convenient than your recovering direct from War Office sterling equivalent to my drawing on you. If you agree generally, and Secretary of State for the Colonies approves, suggest you authorize ?Controller of War Accounts to settle details direct with my Accountant-General.

Addressed Finance, Simla, No. 1958, repeated Secretary of State for the Colonies, No. 336, for general approval.—Cox.

36578

No. 36.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 12.50 p.m., 29th July, 1921.)

TELEGRAM.

No. 274. Cairo proposal to cancel claims between civil and military has not yet been confirmed pending reconciliation of figures between Command Paymaster and Civil Administration and consideration of results here. But all undisputed claims relating to transactions of financial year 1920-21 should be settled forthwith. War Office are sending similar instructions. Please arrange accordingly and telegraph resultant modifications in your previous figures as to deficit on 31st March. —SECRETARY OF STATE FOR THE COLONIES.

38618

No. 37.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 12.45 a.m., 30th July, 1921.)

TELEGRAM.

[*Answered by No.* 52.]

27TH JULY. No. 342. General question of adjustment of transactions between Iraq and Government of India from 1st April, 1919, to 31st March, 1921, requires to be settled. This Administration assumed responsibility for its own final accounting from 1st April, 1919, only. In paragraph number 2 of Wilson's telegram of 11th March, 1919, 2825, to Foreign, Simla, repeated Secretary of State for India, a rupee account current between Government of India and Iraq was suggested for adjustment of transactions between India and Iraq. Question was again raised in Wilson's letter, 7th July, 1919, No. 4486, and letter 13th April, 1920, No. FS2472 to Foreign, Simla. Up to date no decision has been communicated to me, nor have I received any claims from India for her heavy expenditure on my behalf ?on account of family allotments capitalized thirty pensions foreign telegraphic traffic cost of railway warrants, etc., although these must amount to considerable total. Obliged if you could ascertain from Secretary of State for India how India has adjusted such expenditure and also how and when it is proposed to recover. In my opinion, there is considerable justification for such miscellaneous debits being regarded as rupee liability until claim is presented and discharged, and for resisting any proposal to convert it monthly into sterling liability. Addressed Secretary of State for the Colonies, No. 342; repeated, Finance, No. 1969. —Cox.

37938

No. 38.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 5.30 p.m., 3rd August, 1921.)

TELEGRAM.

No. 282. Your telegram of 13th July, No. 296.* Please treat expenditure on Arabistan as recoverable from India, not from His Majesty's Government. You should continue to finance expenditure, if Government of India desire, subject to condition that Government of India effect adjustment at end of each month.—SECRETARY OF STATE FOR THE COLONIES.

37938

No. 39.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(No. 191.)

SIR, Downing Street, 4th August, 1921.

WITH reference to my telegram No. 282, of the 3rd August,† on the subject of the financing of expenditure in Arabistan, I have the honour to enclose, for your information, copies of correspondence‡ which has passed with the India Office.

2. If such an arrangement will best meet the convenience of the Government of India, I desire that you should continue to finance political expenditure in Arabistan, subject to the express condition that an adjustment of accounts is effected with that Government at the end of each month.

3. Much inconvenience and confusion have arisen from the practice of leaving expenditure charged to suspense accounts and delaying an adjustment, and it is my desire generally that a prompt settlement should be effected of all claims as between the civil administration of Mesopotamia and the Government of India within the shortest possible interval after they arise. Whether you continue to finance this particular expenditure after the 30th of June or not, you should arrange with the Government of India to effect an immediate adjustment of the accounts up to that date.

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* No. 27. † No. 38. ‡ Nos. 16, 19, 28 and 32.

4. You will observe that the Secretary of State for India is not prepared to accept as a charge on Indian revenues, even in the first instance and as subject to adjustment, any part of the expenditure in North-West Persia which has been defrayed by the civil administration of Mesopotamia, though some part of it may ultimately prove to be recoverable from Indian revenue through the Foreign Office. I have therefore to request that detailed accounts of all such expenditure incurred both before and after the 31st of March last may be forwarded to me in order that steps may be taken to effect an adjustment through the Foreign Office.

I have, &c.,
WINSTON S. CHURCHILL.

39896

No. 40.

INDIA OFFICE to COLONIAL OFFICE.

(Received 10th August, 1921.)

SIR, India Office, Whitehall, S.W.1, 9th August, 1921.

WITH reference to previous correspondence ending with my letter of the 20th July,* on the subject of Money Order transactions between Mesopotamia and India, I am directed to enclose copy of a telegram on this subject from the Government of India, dated 16th July, showing the total and the distribution, by months, of the Government of India's claim in respect of Money Orders for the period 1919-20, and also a statement showing the monthly rupee figures converted into sterling at the appropriate rate of exchange for the months in question.

With regard to paragraph 3 of the enclosed telegram, it is now understood from a further telegram from the Government of India that there is no claim in respect of April, 1919.

As regards paragraph 4 of the telegram, the method by which the Money Order transactions in question should be debited appears to be a matter for settlement when the scheme of adjustment has been finally decided.

The draft telegram to the Government of India on the subject of Money Orders, enclosed in my letter of 20th July, has now been sent under date of 8th August.

Copy of this letter has been sent to the Treasury and War Office.

I have, &c.,
C. H. KISCH,
Financial Secretary.

Enclosure 1 in No. 40.

FROM VICEROY, FINANCE DEPARTMENT.

(16th July, 1921.)

TELEGRAM.

LETTER from Barker to Cook, F. 2739, 14th March last. Iraq money orders, 1919-20. Sterling amount payable Iraq, in respect of transactions from May, 1919, to March, 1920, is £3,263,376 at rates fixed for adjustment of financial transactions between British and Indian Governments. Distribution of claim by months is as follows:—May, Rs. 6,68,000; June, Rs. 28,39,000; July, Rs. 28,89,000; August, Rs. 29,17,000; September, Rs. 43,61,000; October, Rs. 39,88,000; November, Rs. 27,03,000; December, Rs. 25,16,000; January, Rs. 26,88,000; February, Rs. 28,46,000; and March, Rs. 27,45,000: total, Rs. 3,31,60,000 (*sic*), which is practically same as High Commissioner's figure of Rs. 3,31,61,000, given in note on provision of finance for Mesopotamia, forwarded with Kisch's letter to Cook, F. 6646, 16th June. Figures given above include Rs. 1,25,81,000 on account of postal remittances between Iraq and United Kingdom, distributed as follows:—May, Rs. 9,61,000; June, Rs. 5,95,000; June (? July), Rs. 8,69,000; August, Rs. 9,78,000; September, Rs. 10,40,000; October, Rs. 29,07,000; November, Rs. 18,89,000; December Rs. 4,66,000; January, Rs. 4,99,000; February, Rs. 11,01,000 and March Rs. 12,76,000.

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* No. 28.

2. Prior to April, 1919, post offices in Iraq were treated as part of Indian system. Money order transactions between them and India were adjusted in the accounts as local transactions in the same way as between province and province in India. Any money order transactions between Iraq post offices and British post offices also have been adjusted through monthly general accounts between Indian and British post offices. This is with reference to paragraph 3 of Barker's letter to Cook, of 14th March last. Matter, however, is being examined further, and, if necessary, supplementary information will be furnished.

3. Position regarding April, 1919, is still obscure and is under further examination.

4. Please inform us whether these money order transactions for 1919-20 should be debited to you through Miscellaneous Schedules F., London Accounts Current of Controller of War Accounts, or adjusted in the same way as other foreign money order transactions.

5. As regards our claim for 1920-21, we have reported figures for period April to December, 1920, to High Commissioner, Baghdad, for acceptance, but have not received any reply yet. Copy of our communication will be sent by next mail to you.

6. Paragraph 4 of Kisch's letter dated 16th June. Instructions had already been issued to include transactions for the period January to March, 1921, in Bombay General Accounts. Figures will be reported to Baghdad as soon as accounts are ready.

Enclosure 2 in No. 40.

STERLING EQUIVALENTS OF RUPEE AMOUNTS PAYABLE BY THE IRAQ FOR NET POSTAL REMITTANCES, 1919-20 (EXCLUDING APRIL, 1919).

(*Vide* F. 8154/1921.)

Date.	Rate of Exchange.	Iraq-India *plus* Iraq-United Kingdom.		Iraq-United Kingdom only.	
1919	s. d.	Rs.	£	Rs.	£
May	1 6	26,68,000	200,100	9,61,000	72,075
June	1 6	28,39,000	212,925	5,95,000	44,625
July	1 8	28,89,000	240,750	8,69,000	72,417
August	1 8	29,17,000	243,083	9,78,000	81,500
September	1 8	43,61,000	363,417	10,40,000	86,667
October	2 0	39,88,000	398,800	29,07,000	290,700
November	2 0	27,03,000	270,300	18,89,000	188,900
December	2 0	25,16,000	251,600	4,66,000	46,600
1920					
January	2 4	26,88,000	313,600	4,99,000	58,217
February	2 9	28,46,000	391,825	11,01,000	151,388
March	2 9	27,45,000	377,438	12,76,000	175,450
		3,31,60,000*	3,263,338	1,25,81,000	1,263,589*
Total amount actually due... ...			3,263,376		

* These sterling totals are approximate only, being based on rupee figures telegraphed in round thousands.

38618

No. 41.

COLONIAL OFFICE to INDIA OFFICE.

[*Answered by No.* 79.]

SIR, Downing Street, 10th August, 1921.

WITH reference to the communication from this Office of the 3rd of August,* enclosing a copy of a telegram† from the High Commissioner for Mesopotamia relating to the general question of adjustment of transactions between Iraq and the Government of India from the 1st of April, 1919, to 31st of March, 1921, I am directed by Mr. Secretary Churchill to request that you will be good enough to furnish me with the information desired by the High Commissioner, namely, in what manner the expenditure referred to has been adjusted and also how and when it it proposed to recover the amounts that are due from Mesopotamia. A further copy of the telegram referred to is enclosed for convenience of reference.

I am, &c.,
HUBERT YOUNG

40209

No. 42.

FOREIGN OFFICE to COLONIAL OFFICE.

(Received 12th August, 1921.)

THE Under Secretary of State for Foreign Affairs presents his compliments to the Under Secretary of State for the Colonies, and, by direction of the Secretary of State, transmits herewith copies of a letter to the India Office, dated 9th August, on the subject of the adjustment of expenditure on political services in Persia defrayed by Civil Administration in Mesopotamia.

Similar letter sent to Treasury.

Foreign Office,
11th August, 1921.

Enclosure in No. 42.

[*Answered by No.* 46.]

SIR, Foreign Office, S.W.1., 9th August, 1921.

I AM directed by the Marquess Curzon of Kedleston to acknowledge receipt of your letter of the 27th ultimo, relating to the adjustment of the expenditure on political services in Arabistan and North-West Persia, which has been defrayed by the Civil Administration in Mesopotamia.

2. With reference to the second item of Rs. 6 lakhs, stated to have been spent in North-West Persia, Lord Curzon is aware that throughout the War, and in fact until our forces were withdrawn from North-West Persia, the High Commissioner in Mesopotamia maintained a large staff of political officers on the military lines of communication in Persia. These officers, however, were entirely under the orders of the High Commissioner, and this Department was not consulted as to their appointment or the emoluments they should receive.

3. His Lordship is therefore unable to agree to the proposal contained in the last paragraph of your letter, of the 27th ultimo, to the Colonial Office that the accounts for these disbursements should be submitted to this Department for examination.

4. If the accounts referred to are found to include any payments in connexion with Consular representation, duly authorized by the Foreign Office, this Department will reimburse them on presentation of a detailed statement.

5. A copy of this letter is being sent to the Colonial Office, and to the Treasury

I am. &c.,
E. G. FORBES-ADAM.

The Under Secretary of State,
India Office.

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* 38618: L.F. † No. 37.

40216

No. 43.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 4 p.m., 13th August, 1921.)

TELEGRAM.

13TH AUGUST. No. 318. Your telegram 11th June, No. 185.* Matter has been discussed further with departments concerned here, and following arrangements are approved:—

It is agreed that all sales of drafts and transfers on India should be effected by High Commissioner, who will make necessary assignments to military from the proceeds. You should continue to telegraph at beginning of each month total amount so drawn other than by money orders during preceding month and report at the same time how much of the total amount drawn, including money orders, has been transferred to military authorities. You should confirm your telegrams by mail and should attach to each draft or transfer distinctive code number, which will be quoted in your mail advices to facilitate comparison with claims received from India. On receipt from India Office of claims for refund accounts will be adjusted here. If total amounts drawn for purposes of civil administration should exceed amounts provided for Mesopotamian services in Imperial Estimates, you must arrange to remit to Crown Agents to enable accounts to be adjusted. It is proposed to arrange for repayment to India Office here of cash assignments to military during months April, May, and June, already reported. Mail advices should be sent, as proposed above, of all transactions since 1st April. Suitable instructions are being sent to India, and you should concert any further necessary arrangements with Government of India. With regard to currency chest, it is considered that it should be unnecessary to retain a separate reserve. I suggest that you should make proposal after consulting Command Paymaster as to minimum sum required in country as working balances or reserve for both military and civil requirements, which should be concentrated at one centre, as far as possible, bearing in mind that provision for this may have to be made on votes of Parliament, and that currency can, if possible [?necessary], be shipped from India at short notice. Regard should also be had in this connexion to the progressive reduction in the garrison.

I should be glad if proposal could show how figures are arrived at and could indicate whether, after taking account of present balances in civil Treasuries and with Command Paymaster, any sum additional to those balances, and, if so, how much is required to reach this minimum.

The question of taking over any such additional sum in due course from the present Indian currency chest will be further considered when occasion arises.

Proposal is that you should then draw from chest in lieu of selling bills or transfers until minimum sum, referred to above, is reached, or if, as I hope no further reserve funds are required, until chest is exhausted. Drawings from chest should be treated in all respects in the same way as sale of bills or transfers, and similarly advised to India and to me. When India has agreed to procedure as regards chest you will be informed.

Figures of net drawings on India by money orders should be telegraphed about two months in arrear, as already arranged.—CHURCHILL.

39896

No. 44.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 1.5 p.m., 15th August, 1921.)

TELEGRAM.

[*Answered by No.* 68.]

15TH AUGUST. No. 319. With reference to paragraph 3 of India Office telegram to Viceroy, Finance, 8th August,† repeated to you from India, on subject of Mesopotamia's liability for unadjusted arrears of Money Order transactions, will

* 30219: not printed. † See enclosure 1 in No. 28.

be glad if you will furnish me, by telegram, with full statement for 1920-21 prepared on the same lines as statement for 1919-20 called for by India Office from India.

Statement should be telegraphed within next few days to allow time for consideration here before Vernon leaves, which will be in about three weeks.

43313

No. 45.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 12.48 p.m., 27th August, 1921.)

TELEGRAM.

25TH AUGUST. No. 421. Your telegram 9th July, No. 233.* Figures are in thousands of rupees. Firstly, figure net receipts foreign money orders issued during complete financial year 1920-21, 56,415, half of 112,830. Secondly, gross cash assignments in Iraq to Command Paymaster during year 1920-21 were 121,270, half of 242,540. Of this Command Paymaster refunded, last March, 500, half of 1,000, and if Treasury Chest Officer paid to civil treasuries on closing their accounts in first quarter year 1920-21 7,698, half of 15,396. Hence net cash assignments to military were 113,072, half 226,144.

43471

No. 46.

INDIA OFFICE to FOREIGN OFFICE.

SIR, India Office, Whitehall, London, S.W.1, 29th August, 1921.

I AM directed by the Secretary of State for India to acknowledge receipt of your letter of 9th August,† regarding the adjustment of expenditure incurred by the Civil Administration of Mesopotamia in Arabistan and North-West Persia.

It is noted that the Marquess Curzon of Kedleston does not desire to undertake the examination of the accounts submitted of expenditure in North-West Persia; at the same time, it is observed from Colonial Office letter‡ that Mr. Secretary Churchill has already instructed Sir P. Cox to submit detailed accounts with a view to adjustment through the Foreign Office.

No doubt it will be found, on receipt at the Colonial Office of the detailed accounts, that the bulk of the expenditure is not debitable even as to a moiety to your Department, but to other Departments of His Majesty's Government; such portion of it as is ultimately accepted by your Department as on account of Consular representation will presumably be reclaimed, as to a moiety, from this Office in due course.

A copy of this letter has been sent to the Colonial Office and Treasury.

I have, &c.,

H. GARRETT.

43811

No. 47.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 11.52 a.m., 1st September, 1921.)

TELEGRAM.

[*Answered by No.* 49.]

30TH AUGUST. No. 444. My telegram 30th August.§ Supplementary assignment from Post Office to military imprest holders in Persian line of communication from September, 1920, to March, 1921, aggregated 31 lakhs (?) 85,000 rupees. Similar assignment prior to September, 1920, will be charged in account of Controller of War Accounts.—Cox.

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* No. 25. † Enclosure in No. 42. ‡ 37938: not printed. § 43812: not printed.

45002

No. 48.

INDIA OFFICE to COLONIAL OFFICE.

(Received 7th September, 1921.)

India Office, 6th September, 1921.

SIR,

I AM directed by the Secretary of State for India in Council to transmit to you, for information, copy of a telegram from the Viceroy, dated 28th August, on the subject of Mesopotamian finance, of which a copy was sent demi-officially to the Middle East Department of the Colonial Office on the 2nd September.

I am, &c.,

F. W. DUKE.

Reference to previous correspondence: Letter to the India Office of the 30th August.*

Enclosure in No. 48.

VICEROY, FINANCE DEPARTMENT, to SECRETARY OF STATE FOR INDIA.

(Received 3 p.m., 29th August, 1921.)

TELEGRAM.

28TH AUGUST. 3657/C.W.C. Your Financial Secretary's letter dated 21st July, No. F/7016. Your telegram dated 9th August, Mesopotamian Finances.

1. In our opinion, simplest method of settling these complicated transactions would be to settle them item by item, as agreement is arrived at on each. Now that our claim in respect of money order transactions in 1919-20 has been admitted, we would suggest that we should be allowed to debit amount to you in Miscellaneous Schedules of Controller of War Accounts, or in our War Accounts for 1920-21, before they are closed.

2. Question of how money has been spent by Mesopotamia can then be taken up for consideration. This is primarily a matter for the Mesopotamian Government, and we may in this connexion mention that it is not correct that accounts of civil administration for 1919-20 have been forwarded to India. It is only during the last two months that Controller of War Accounts has succeeded in obtaining from Mesopotamia complete accounts as far as possible to the end of 1918-19, with adjustments of which he is concerned. Proposal that we should depute Accounting Officer to Mesopotamia to examine position in respect of 1919-20 practically repeats suggestion made by Watkins to our Financial Advisers in March last, that Mitra should go to Mesopotamia to settle these accounts. While we are ready to help His Majesty's Government in the matter, we are most anxious to settle, as quickly as possible, our own arrear transactions connected with war accounts. Desire of War Office to have figures for 1920-21 telegraphed by 23rd September, if possible by 15th September, will probably result in the whole of these arrears not being adjusted in the accounts for that year. We are, however, aiming at obtaining complete review of the position by the end of October, so that necessary adjustments will be made in Indian Accounts for 1920-21, and the outstanding transactions included in the accounts for April, 1920-21. It is therefore impossible for us at present to send to Mesopotamia an officer possessing requisite knowledge of these transactions. Moreover, Mitra himself is in bad health, and has postponed his leave to complete these terminal adjustments as far as possible, while our position has become more serious by the recent breakdown of Carr Hall. We would accordingly suggest that Mesopotamia should send to India its Accountant-General, or some other responsible officer, with all possible relevant documents connected with accounts for 1919-20, to settle matter as far as possible in consultation with our Controller of War Accounts. If officer could arive at Simla on 16th September, matter could be taken up at once. Delay in Controller of War Accounts office in settling these Mesopotamian transactions has been inevitable, owing to pressure of work during the last eighteen months connected with our terminal adjustments, but

* 43237: not printed.

difficulties have been enhanced by inability of Mesopotamia to send more promptly accounts to the end of 1918-19. Now that these have been received, adjustments to the end of that year, as well as of those relating to our portion of the accounts to the end of 1920-21, will be completed by end of September.

3. Paragraph 3 of your telegram dated 8th August apparently overlooks fact that our war accounts for 1920-21 show separately amounts charged against War Office in respect of funds remitted to Mesopotamia, and that full details of amounts are given in statements, copies of which are sent to Mesopotamia. Accounts for three quarters of 1920-21 have been already sent to you, and in telegraphing figures for fourth quarter and supplementary account, amounts included therein for funds remitted to Mesopotamia will be separately specified.

4. From 1st April, 1921, our transactions with Mesopotamia, apart from military expenditure, may be divided into three main classes: firstly, supply of funds; secondly, money order transactions; and thirdly, miscellaneous payments in India for Mesopotamia. As regards first of these items, matter has been settled by orders contained in your telegram dated 19th August. No. 4258, to which a separate reply is being sent. All we are concerned with is to secure recovery of sums paid by us and, as already stated, that this recovery should be made outside war accounts from April, 1922, or earlier, if this can be arranged with His Majesty's Government. We are not concerned with subsequent adjustments between Mesopotamia and War Office, referred to in Baghdad's telegram of 25th July, 1921, No. 751/26. As regards procedure for money order transactions, our Director-General has concluded an agreement with Iraq Administration for adjustment of money order transactions between Iraq and India on foreign money order basis from 1st October, 1921, balance due being settled by payment in India. You are being separately addressed in the matter. It has been suggested also that claims from April, 1921, be settled by cash payments in India, instead of amount being recovered by you from Colonial Office in London. We shall be glad to know if you agree. As regards miscellaneous payments, Mesopotamia is obsessed with the idea of Exchange Accounts, which in our opinion has certain disadvantages in respect of transactions with Government of Mesopotamia, whose present situation, financial and otherwise, is abnormal. Moreover, Mesopotamian administration is not consistent, for while it presses for rupee Exchange Accounts in its telegram of 25th July, 1921, we understand that certain Departments of the Civil Administration, particularly Railways, have arranged for cash settlement, apparently through Mesopotamia Agent at Bombay, with Chief Auditor, Dadar, and latter is writing back debits passed on to Controller of War Accounts in accounts for 1920-21, and arranging for cash settlement. We have agreed to exchange accounts for miscellaneous postal transactions, as here the exchange account will be with an officer of Mesopotamia Government in India and is subject to cash settlement in India. For other miscellaneous transactions we would urge adoption from April, 1921, of procedure now in force in respect of East Africa, namely, that claims will be presented by our Accountant-General, Central Revenues for (?to) Mesopotamian Agent at Bombay, for cash settlement. In fact, direct payments by our officers for Mesopotamia can be reduced to minimum by Mesoptamian Agent himself arranging for all payments of family allotment, etc., as is done by Agent for East Africa. We fail to see how the question of exchange raised by Mesopotamia can affect the matter at all, so long as Mesopotamia must draw heavily on us. The only way in which, under present circumstances, Mesopotamia can repay us the balance of the so-called rupee account is by drawing on us, as it is actually doing for the settlement of miscellaneous postal transactions, or by sending us a rupee draft, which, even if it is obtainable, will reduce the amount of funds that can be made available locally for Military expenditure, and will lead to increased drawings on India to meet Military requirements. Under present circumstances, therefore, balance of the exchange account will have to be settled eventually in sterling.

5. Paragraph 5 of your telegram, dated 8th August, statement of claims for 1920-21, already furnished to High Commissioner, Baghdad, whose acceptance is still awaited. Our total claim amounts to £2,454.668 for Mesopotamia (from) India, and £3.259.473 for Mesopotamia (from) United Kingdom money orders. As regards our claims for current year, please see paragraph 5 [?4] above.

6. Paragraph 2 and paragraph 4 of this telegram gives our observations on Cox's telegram of 27th July, referred to in your telegram dated 18th August last. No. 4225.

Repeated High Commissioner.

43811

No. 49.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 1.10 p.m., 6th September, 1921.)

TELEGRAM.

No. 369. Your telegram 30th August, No. 444.* Are supplementary assignments 1920-21 from Post Office to military imprest holders in Persian line of communication to be added to 1,130 lakhs given in your telegram 25th August, No. 421,† as net cash assignments to military in that year? If so, telegraph amount of supplementary assignments for first five months of 1920-21. Please give these figures, and also those in your telegram of 25th August, No. 421, month by month for the whole year.—SECRETARY OF STATE FOR THE COLONIES.

45669

No. 50.

INDIA OFFICE to COLONIAL OFFICE.

(Received 12th September, 1921.)

[*Answered by Nos.* 53 *and* 61.]

India Office, Whitehall, 10th September, 1921.

SIR,

WITH reference to your letter of the 30th July,‡ and connected correspondence, regarding the adjustment of miscellaneous transactions between Iraq and the Government of India, I am directed by the Secretary of State for India to refer to the Viceroy's telegram of 28th August, No. 3657,§ copy of which has already been forwarded to your Office in another connexion, and of which a further copy is enclosed for ease of reference.

It is proposed to send to the Government of India a telegram, of which a draft is enclosed. It is understood demi-officially that the Colonial Office concur in the terms of the draft, and will telegraph to the Iraq Administration in the sense of paragraph 1 thereof. I am to request the favour of formal concurrence in the draft telegram.

I have, &c.,

H. F. HOWARD.

Enclosure in No. 50.

(*Draft Telegram.*)

SECRETARY OF STATE TO VICEROY, FINANCE DEPARTMENT.

YOUR telegram 28th August, Mesopotamian Finances, Miscellaneous Payments.

1. I agree that it is desirable to reduce to minimum direct payments by your officers on behalf of Mesopotamia. Colonial Office also agree, and are telegraphing to Cox instructions, that all possible payments in India should be made by Mesopotamian Agent there.

2. In view of above you may no longer see any objection to instituting rupee account current for transactions still managed by your officers, which would presumably be reduced to comparatively small dimensions. Outstanding balance would be settled monthly in rupees, *vide* Baghdad's telegram dated 25th July, 1921. I leave it to you to decide whether this is practicable, and to make any necessary arrangements. In this connexion you will, no doubt, consider whether it is worth while to disturb any arrangements (such as that mentioned by you in respect of railway transactions) which have already been made, and which may be working satisfactorily, or whether such should be excluded from general scheme. I assume that until you reach agreement with Iraq regarding account current they will make cash settlement of accounts presented.

* No. 47. † No. 45. ‡ 38177: not printed. § Enclosure in No. 48.

3. In whatever way Iraq Administration makes rupee settlement of its Indian outgoings, it will do so by drawing on you. But it appears preferable that its indebtedness should, as far as possible, be collected under one simple head, the remittance account, rather than scattered over a multiplicity of accounts.

4. Money Orders and provision of funds are being dealt with separately.

45986

No. 51.

MR. D. A. BARKER (INDIA OFFICE) to MR. R. V. VERNON (COLONIAL OFFICE).

[*Answered by No.* 54.]

DEAR VERNON, India Office, Whitehall, S.W.1, 13th September, 1921.

IRAQ money order transactions, 1920-21. In paragraph 3 of our telegram to India of the 8th August, draft of which was enclosed in Kisch's official letter of the 20th July,* we asked the Government of India to state, for your information, what amount they have charged against the War Office in War Accounts in respect of funds remitted to Mesopotamia in 1920-21.

We previously had only figures for the first three quarters of 1920-21, but we have now received a telegraphic summary of the War Accounts for the quarter January-March, 1921. One or more supplementary accounts are still expected, but I append below a table showing the sterling amounts charged against the War Office for "Funds supplied to Mesopotamia" in the respective monthly accounts, in order that you may have some sort of a figure to work with.

"Funds supplied to Mesopotamia," 1920-21 (provisional summary of amounts charged in War Accounts).

	£
1920.	
April	933,839
May	1,162,086
June	702,850
July	266,586
August	993,899
September	604,098
October	839,113
November	631,433
December	198,277
1921.	
January	346,694
February	515,830
March	782,165
	£7,976,870

The figures for the first three quarters are net (i.e., after making deductions for currency notes and specie returned from Basrah, and R.T.R.'s drawn on Baghdad). The other figures are probably net also, but this is not stated in the telegram. I will let you have a complete statement as soon as all the figures are available here.

Yours, etc.,

D. A. BARKER.

45669

No. 52.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 12.50 p.m., 16th September, 1921.)

TELEGRAM.

[*Answered by No.* 55.]

No. 391. Your telegram 27th July, No. 342.† India Office suggest, and I agree, that it is desirable to reduce to minimum direct payments by India on behalf of Iraq. I shall be glad if you will arrange that Iraq agent at Bombay should make all possible payments in India, such as payments of family allotments, etc. With

* No. 28. † No. 37.

reference to paragraph 2 of Viceroy's telegram 28th August,* repeated to Baghdad, it was understood here that Iraq accounts for 1919-20 had been forwarded to India. Is this correct and, if so, when and to whom were they forwarded? Telegraph reply.
—SECRETARY OF STATE FOR THE COLONIES.

45669

No. 53.

COLONIAL OFFICE to INDIA OFFICE.

SIR, Downing Street, 20th September, 1921.

I AM directed by Mr. Secretary Churchill to acknowledge the receipt of your letter of the 10th September,† regarding the adjustment of miscellaneous transactions between Iraq and the Government of India, and to inform you that Mr Churchill concurs in the terms of the draft telegram‡ which it is proposed to send to India on the subject.

2. I am to enclose, for the information of Mr. Secretary Montagu, a copy of a telegram§ that has been despatched to the High Commissioner for Iraq on the subject.

I am, &c.,
J. E. SHUCKBURGH.

45986

No. 54.

MR. R. V. VERNON (COLONIAL OFFICE) to MR. C. H. KISCH (INDIA OFFICE).

DEAR KISCH, Downing Street, 20th September, 1921.

WE have calculated that, at the appropriate monthly rates of exchange, the £7,976,870 shown in Barker's letter to me of the 13th September‖ as charged to War Office for "Funds supplied to Mesopotamia" in 1920-21 works out at about Rs. 856 lakhs.

2. From Baghdad telegrams Nos. 421 and 444 of 25th and 30th August,¶ of which India Office has been supplied with copies, you will have seen that some Rs 1162 lakhs were advanced to the military in 1920-21, besides a few extra lakhs between April and August, 1920, which are said to have already been included in the Rs. 856 lakhs mentioned above.

3. From this it appears fairly clear that War Office still owe more than Rs. 300 lakhs for funds advanced to them in 1920-21, and you will no doubt consider whether India Office can get them to pay a substantial advance on account before the 30th of this month.

4. The above explains how more than half of the Rs. 564 lakhs which Mesopotamia admits having received from money orders in 1920-21 has been expended. The balance of upwards of Rs. 250 lakhs seems to be due from Mesopotamia, but I fear we cannot make any payment on account of it until we have ascertained more definitely what the deficit on 31st March last comes to and have got Treasury (and Parliament's) authority to pay it.

Yours, &c.,
R. V. VERNON.

47428

No. 55.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 3.5 p.m., 21st September, 1921.)

TELEGRAM.

[*Answered by No.* 69.]

21ST SEPTEMBER. No. 510. Your telegram 16th September, No. 391.§ I agree that payment from India on Iraq account should be reduced to minimum, but would point out that family allotment system is continued only at express desire of India, and if it is unable to undertake the payments we would discontinue system, which has many inconveniences. As regards year 1919-20 accounts, these were not forwarded to India, whose responsibility ceased on 31st March, 1919.—Cox.

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* Enclosure in No. 48. † No. 50. ‡ Enclosure in No. 50. § No. 52. ‖ No. 51.
¶ Nos. 45 and 47.

47506

No. 56.

INDIA OFFICE to COLONIAL OFFICE.

(Received 23rd September, 1921.)

[*Answered by No.* 63.]

SIR, India Office, Whitehall, London, S.W., 22nd September, 1921.

I AM directed by the Secretary of State for India to refer to the Viceroy's telegram No. 3657, C.W.C., dated the 28th August,* a copy of which has already been furnished to you, and which dealt *inter alia* with the question of settlement of Money Order transactions between Iraq and India during the year 1921-22. A further copy of the relevant portion of the telegram is enclosed herewith for ease of reference.

2. It appears that the Iraq Administration has concluded with the Government of India an agreement providing for the adoption, as from 1st October, 1921, of a foreign money order basis, with cash settlement in India. It is suggested that transactions for the half-year beginning 1st April, 1921, also should be similarly settled by cash payments in India.

3. The present proposal, like that which has already been agreed to, in the case of "miscellaneous transactions," in Colonial Office letter of the 20th September,† would appear to be of mutual advantage, by reducing the multiplicity of accounts as between the India Office and the Colonial Office. So long as the Iraq Administration is in part financed by drawings on the Government of India, payment of Money Order accounts in rupees would, of course, result in an addition to those drawings, so that payment would eventually be made in sterling by the Colonial Office. But the total amount to be found by the Colonial Office would not be increased by the proposed change of procedure, since under existing arrangements the balance due on account of Money Order transactions would in any case be settled in sterling by the Colonial Office.

4. The further communication on the subject promised in the present telegram has not yet been received. Meanwhile, Mr. Montagu is inclined to signify a general agreement in the arrangements suggested, and proposes, subject to any observations which Mr. Churchill may wish to offer, to telegraph in this sense to the Government of India.

I have, &c.,
C. H. KISCH,
Financial Secretary.

Enclosure in No. 56.

(*Extract from paragraph* 4 *of Viceroy's telegram to Secretary of State for India, No.* 3657, *C.W.C., dated* 28*th August*, 1921.)

* * * * * * *

4. . . . . As regards procedure for Money Order transactions, our Director-General has concluded an agreement with Iraq Administration for adjustment of Money Order transactions between Iraq and India on foreign Money Order basis from 1st October, 1921, balance due being settled by payment in India. You are being separately addressed in the matter. It has been suggested also that claims from April, 1921, be settled by cash payments in India, instead of amount being recovered by you from Colonial Office in London. We shall be glad to know if you agree.

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* Enclosure in No. 48. † No. 53. ...

49189

No. 57.

INDIA OFFICE to COLONIAL OFFICE.

(Received 4th October, 1921.)

[*Answered by No.* 66.]

India Office, Whitehall, London, S.W., 3rd October, 1921.

SIR,

WITH reference to previous correspondence on the subject of Money Order arrears between India and Iraq, I am directed by the Secretary of State for India to transmit, for information, copy of the papers specified in the margin.

Telegram to India, No. 4819, dated 20th September.
Telegram from India, No. 10296, dated 26th September.
Telegram from India, No. 10369, dated 28th September.
Letter to Treasury, dated 3rd October.

2. It will be observed from the Viceroy's telegram of 26th September that the Iraq Administration has now practically accepted the figure put forward by the Government of India in respect of 1920-21. The amount of the claim was £5,714,141 (*vide* paragraph 5, Viceroy's telegram of 28th August, 1921*), and of this £5,713,940 has now been agreed by the Iraq Administration. I am to enclose, in this connexion, copy of a letter to the Treasury, which Department has been specially addressed, as these Money Order claims have arisen in respect of the period prior to the assumption of control by the Colonial Office.

3. Before the departure of Mr. Vernon for Mesopotamia, the question was discussed with him of deputing an officer on behalf of India to meet him in Baghdad with a view to clearing up any difficulties and settling any points arising in connexion with the preparation of the further documents which, at the Conference held last July, it was decided to call for. It has now been found possible, despite the difficulties described in Viceroy's telegram of the 28th August, to send from India to Baghdad Mr. Mitra, the Controller of War Accounts. It is also proposed to send out an officer from this Department, Mr. G. H. Baxter, who will, subject to the co-operation of the Air Ministry, travel by the route taken by Mr. Vernon, and is due to reach Baghdad about 16th October.

4. Mr. Mitra hopes to reach Baghdad about 25th October and wishes, if possible, to complete his work there within ten days, as he has urgent duties in India. If this is to be possible, it is desirable that the Baghdad authorities, who are aware of the nature of the further information required (see Mr. Churchill's telegram dated 15th August†), should have all the necessary records for the two years concerned available before Mr. Mitra's and Mr. Baxter's arrival.

5. I am accordingly to ask that, with Mr. Churchill's permission, the High Commissioner at Baghdad may be instructed by telegram in the above sense, and that Sir P. Cox may be asked to extend all necessary facilities to Messrs. Mitra and Baxter. I am also to ask that information regarding the deputation of Messrs. Mitra and Baxter to Baghdad in connexion with the Money Order claim may be conveyed by telegram to Mr. Vernon, so that he may arrange to meet the officers concerned in Baghdad.

Perhaps you would be good enough to send to this Department a copy of any telegram on the subject sent to the High Commissioner.

I have, &c.,
D. A. BARKER,
for Financial Secretary

Enclosure 1 in No. 57.

SECRETARY OF STATE TO VICEROY, FINANCE DEPARTMENT.

TELEGRAM.

20TH SEPTEMBER, 1921. No. 4819. Iraq Money Orders.

Your telegram dated 28th August, No. 3657, paragraphs 1 and 2.

For reasons given in my telegram of 8th August recovery is at present impracticable without production of further details of expenditure. Colonial Office are telegraphing to Cox regarding whereabouts of required documents for 1919-20.

2. Vernon, in charge of Middle East finances, Colonial Office, expects to be in Mesopotamia from 1st October, for a month at least. You will, no doubt, agree that

* Enclosure in No. 48. † No. 44.

it is most desirable that these recoveries should be effected during current financial year, and it would probably greatly facilitate settlement if you could despatch competent officer to confer with him in Mesopotamia, and assist in preparation of requisite statements. If, for reasons given in your telegram of 28th August, you are still unable to do so, I am strongly disposed to send to Mesopotamia one of my officers, who is familiar with claims as presented here, and general aspect of case, to go into documents with Vernon and Mesopotamian authorities with view to presentation of our claim in complete form required. In latter case, I should rely on your providing him with competent clerk from Mitra's office who is familiar with method on which Mesopotamian accounts have been kept. Officer would be able on return journey to confer with your financial department on any matters outstanding which remained to clear up.

3. Please telegraph urgently, as, if officer is to be sent from here, he ought to leave without delay.

VICEROY, FINANCE DEPARTMENT, to SECRETARY OF STATE FOR INDIA.

(Received 10.0 a.m., 27th September, 1921.)

TELEGRAM.

Enclosure 2 in No. 57.

(No. 10296.)

26TH SEPTEMBER, 1921, Simla. Please refer to paragraph 5 of our telegram dated 28th August, 3657, C.W.C., Mesopotamia Money Orders, 1920-21. Deputy Accountant-General, Posts and Telegraphs, Baghdad, accepts our claim in full, except for a small difference to be adjusted later. His accepted figures are £3.259,272 4s. 8d. for Iraq-United Kingdom, and £2,454,668, 4s. 10d. for Iraq-India Money Orders. We are asking High Commissioner, Baghdad, intimate accepted figure to the Colonial Office. We trust that it will be possible to effect recovery at an early date.

Enclosure 3 in No. 57.

(No. 10369.)

VICEROY, FINANCE DEPARTMENT, to SECRETARY OF STATE FOR INDIA.

(Received 5.0 p.m., 28th September, 1921.)

TELEGRAM.

28TH SEPTEMBER, 1921, Simla. 3816, C.W.C. Your telegram dated 20th September, 4819, Iraq Money Orders. We fully realize importance of settling matter and effecting recoveries in current financial year. We have decided, therefore, that it is necessary, despite objections previously stated, to send Mitra to Mesopotamia after 15th October, and we are arranging for him to be in Baghdad about 25th October. He hopes to finish work in a week or ten days if proper records are available at other end. Please arrange with Colonial Office for issue instructions to Cox, to whom this telegram is being repeated, that necessary facilities may be given to Mitra.

Paragraph 2. It may be still desirable for you to send to Mesopotamia Mission your officers, so that position may be understood fully in your Office. We leave decision in the matter to you, but we consider it necessary to stipulate that officers selected should not be independent of Mitra.

Enclosure 4 in No. 57.

INDIA OFFICE to TREASURY.

SIR,

India Office, Whitehall, S.W., 3rd October, 1921.

I AM directed by the Secretary of State for India to refer to previous correspondence and conferences, on the subject of the claims of the Government of India

Telegram from India, 9294 [3657 C.W.C.] dated 28th August.*
Telegram to India, 4819, dated 20th September.
Telegram from India, 10296, dated 26th September.
Telegram from India, 10369, dated 28th September.
Letter to Colonial Office, dated 3rd October, 1921.

for arrears in respect of Money Order transactions with Iraq in 1919-20 and 1920-21, and to enclose, for information, copy of the marginally noted correspondence.

2. Practical agreement has now been reached between the Government of India and the Iraq Administration as to the amounts involved. For 1919-20, the figure given by Iraq is Rs. 3,31,61,000, and that given by India is Rs. 3,31,60,000. The former is not shown under the several months; but India's monthly figures, when converted at the appropriate monthly rates of exchange, are equivalent to £3,263,376 (*vide* table forwarded with India Office letter dated 9th August, 1921, No. F. 8690).

For 1920-21 the sterling figure put forward by India was £5,714,141. This has now been accepted by Iraq in full, except for a slight difference to be adjusted later. The accepted figure is £5,713,940. The total agreed amount for the two years is therefore about £8,977,316. It is not yet known how much of this claim against the Iraq Government arises in respect of funds supplied by the Mesopotamian (Civil) Government to the Military authorities.

3. In view of the importance of clearing up these large outstanding claims without unnecessary delay, every effort is being made to expedite the production of the supplementary information required as Mr. Mitra, the Controller of War Accounts, is to proceed shortly from India to Baghdad; and an officer from this Department, Mr. Baxter, will be leaving this country for Baghdad almost immediately. It is intended that these officers should there meet Mr. Vernon, of the Colonial Office, who is at present on his way to Mesopotamia, and confer with him with a view to the preparation of the further documents required.

4. It is hoped that the measures which are being taken will render possible a settlement of the Money Order arrears within the current financial year. In this connexion a reference is invited to Section (i) (g) of Cabinet Conclusions No. 5, dated the 18th August, 1921, in which it was decided as follows:—

> "All arrears of expense and other capital charges already incurred to be settled without fail within the present financial year, thus enabling a fair start to be made in 1922-23."

In drawing attention to this decision, Mr. Montagu trusts that the Lords Commissioners of the Treasury will agree to the submission in due course to Parliament of any Supplementary Estimates which may be necessary in order that the Government of India's claims in respect of Money Order arrears may be discharged in full within the current financial year.

I have, &c.,
D. A. BARKER,
for Financial Secretary.

The Secretary,
Treasury.

49713

No. 58.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 8.55 p.m., 5th October, 1921.)

TELEGRAM.

[*Answered by No.* 65.]

5TH OCTOBER. No. 554. Your telegram 4th October, No. 426.† The accident which has befallen your representative is exceedingly unfortunate in that Government of India already arranged to send their late Controller, War Accounts, to Baghdad to work out on spot with Slater adjustment of our accounts with India. He is due 25th October. Slater would readily proceed to Jerusalem, as suggested, but it would be impossible to discuss matters in detail in the absence of representatives of subordinate branches, to whom reference in matters of detail will constantly be necessary. It was hoped that simultaneous presence of Vernon and Mitra would

* Enclosure in No. 48. † 48981: not printed.

have made possible a complete clearing up of financial relations with India. Moreover, adjustment of past account with Military Administration and settlement of future financial relations with them, as also question of disposal of capital assets will require constant consultation with Military authorities in Baghdad. Lastly, as regards question of future financial policy and nature of our financial control, your representative would be in much better position to advise you after gaining personal knowledge of local conditions and personnel from Ministers downwards. In the circumstances, he is ?strong of opinion that ?discussion of these matters can only be usefully taken up on the spot. It would be infinitely more profitable, if possible, for Vernon, or substitute, to proceed via Bombay, Mitra being delayed as required in order to bring them here together.

Addressed Chapelries, London, No. 554, repeated Foreign, Simla, No. 2419.—Cox.

49812

No. 59.

INDIA OFFICE to COLONIAL OFFICE.

(Received 7th October, 1921.)

SIR, India Office, 6th October, 1921.

I AM directed by the Secretary of State for India in Council to transmit to you, for information, copies of telegraphic correspondence with the Government of India on the subject of miscellaneous payments in India on account of Mesopotamia.

I am, etc.,
F. W. DUKE.

Reference to previous correspondence: Letter to the India Office of the 23rd September.*

Enclosure 1 in No. 59.

SECRETARY OF STATE FOR INDIA to VICEROY, FINANCE DEPARTMENT.

TELEGRAM.

22ND SEPTEMBER, 1921. No. 4861. Your telegram dated 28th August. Mesopotamian finances. Miscellaneous payments.

1. I agree that it is desirable to reduce to minimum direct payments by your officers on behalf of Mesopotamia. Colonial Office also agree, and have telegraphed to Cox instructions that all possible payments in India should be made by Mesopotamian agent there.

2. In view of above, you may no longer see any objection to instituting rupee account current for transactions still managed by your officers, which would presumably be reduced to comparatively small dimensions. Outstanding balance would be settled monthly in rupees, *vide* Baghdad's telegram dated 25th July, 1921. I leave it to you to decide whether this is practicable and to make any necessary arrangements. In this connexion you will no doubt consider whether it is worth while to disturb any arrangements such as that mentioned by you in respect of railway transactions which have already been made and which may be working satisfactorily, or whether such should be excluded from general scheme. I assume that until you reach agreement with Irak regarding account current they will make cash settlement of accounts presented.

3. In whatever way Irak administration makes rupee settlement of its Indian outgoings it will do so by drawing on you. But it appears preferable that its indebtedness should as far as possible be collected under one simple head, the remittance account, rather than scattered over a multiplicity of accounts.

4. Money orders and provision of funds are being dealt with separately.

* 47428: not printed.

50

Enclosure 2 in No. 59.

VICEROY, FINANCE DEPARTMENT, SIMLA, to SECRETARY OF STATE FOR INDIA.

(Received 6 p.m., 4th October, 1921.)

3RD OCTOBER, 1921. 3828/CWC. Your telegram dated 22nd September, No. 4861. Mesopotamian Finances, Miscellaneous Payments. If general arrangement is to be that all possible payments in India on account of Mesopotamia should be made by Mesopotamia Agent in this country, simplest way of dealing with any casual (?payments by) our officers would be for them to claim and obtain refund from Mesopotamia Agent. We suggest, however, that details of arrangement, including procedure for railway payments, may be settled in discussion between Cox, Vernon, and Mitra in Baghdad.

Enclosure 3 in No. 59.

SECRETARY OF STATE FOR INDIA to VICEROY, FINANCE DEPARTMENT, SIMLA.

TELEGRAM.

5TH OCTOBER, 1921. No. 5068. Mesopotamia. Miscellaneous payments. In continuation of paragraph 1 of my telegram of 22nd September, No. 4861, Cox also agrees, but says family allotment system is continued only at express desire of India, and if you are unable to undertake the payments he would discontinue system, which has many inconveniences.

49189

No. 60.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 6.5 p.m., 6th October, 1921).

TELEGRAM.

No. 429. With reference to Viceroy's telegram to India Office No. 3816, C.W.C., of 28th September,* repeated to you, will be glad if all necessary facilities may be given Mitra on his arrival in Baghdad about 25th October, and also to Baxter, who is representative from India Office, and is due in Baghdad about 16th October, so as to enable them, in consultation with local Finance Department, to clear up any difficulties and settle any points arising in connexion with the preparation of the information specified in my telegram 15th August, No. 319,† and in paragraph 2 of India Office telegram to Viceroy, Finance, 8th August,‡ repeated to you from India. For this purpose please arrange that all the necessary records for the two years 1919-20 and 1920-21 are available before arrival of Mitra and Baxter.—SECRETARY OF STATE FOR THE COLONIES.

47428

No. 61.

COLONIAL OFFICE to INDIA OFFICE.

[*Answered by Nos.* 62 *and* 64.]

SIR, Downing Street, 8th October, 1921.

WITH reference to your letter of the 10th September last,§ regarding the adjustment of miscellaneous transactions between Iraq and the Government of India, I am directed by Mr. Secretary Churchill to transmit to you a copy of a telegram‖ that has been received from the High Commissioner for Iraq, in which he points out that the family allotment system under which payments on behalf of Iraq are made direct in India by the Government is continued only at the express desire of the Government of India, and that the system has many inconveniences as far as the Government of Iraq is concerned.

* Enclosure 3 in No. 57. † No. 44. ‡ See enclosure 1 in No. 28. § No. 50. ‖ No. 55.

51

2. In these circumstances, I am to state that Mr. Churchill proposes to authorize the High Commissioner to discontinue the system, if Mr. Montagu sees no objection to that course.

3. As regards the accounts for the financial year 1919-20, Mr. Montagu is aware that Mr. Churchill has been under the impression hitherto that those accounts had been forwarded to the Government of India. In view, however, of the information now furnished, Mr. Churchill proposes to address a telegram* to the High Commissioner, a draft of which is enclosed, asking for information as to the amounts drawn from India by Bills and issued to the military authorities in that financial year. I am to inquire whether Mr. Montagu sees any objection to the despatch of a telegram in the terms proposed.

I am, &c.,
J. E. SHUCKBURGH

50841

No. 62.

INDIA OFFICE to COLONIAL OFFICE.

(Received 13th October, 1921.)

SIR, India Office, Whitehall, London, S.W.1, 12th October, 1921.

I AM directed to acknowledge the receipt of your letter, dated the 8th October,† on the subject of the adjustment of miscellaneous transactions between Iraq and the Government of India.

As regards the continuance of the family allotment system, I am to suggest that this is a matter which might suitably be left for settlement between the financial authorities in Baghdad and Mr. Mitra, who, under present plans, will be visiting Mesopotamia towards the end of the month. Mr. Montagu will be glad to know if Mr. Churchill accepts this view, in which case he will inform the Government of India accordingly.

As regards the accounts for the financial year 1919-20, a further letter will be sent to you at an early date.

I have, &c.,
E. J. HOPKINS,
for Financial Secretary.

47506

No. 63.

COLONIAL OFFICE to INDIA OFFICE.

SIR, Downing Street, 12th October, 1921.

I AM directed by Mr. Secretary Churchill to acknowledge the receipt of your letter of the 22nd September last,‡ regarding the conclusion between the Iraq Administration and the Government of India of an agreement providing for the adoption, as from the 1st October, 1921, of a system of adjustment of Money Order transactions on a foreign Money Order basis.

2. I am to state that Mr. Churchill would prefer to await the receipt of the further communication promised in the Viceroy's telegram, which he presumes will be communicated to this office in due course, before expressing an opinion both as regards the agreement already concluded and the proposed extension of it to transactions for the half year beginning the 1st April last.

I am, &c.,
J. E. SHUCKBURGH.

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* See No. 69. † No. 61. ‡ No. 56.

51054

No. 64.

INDIA OFFICE to COLONIAL OFFICE.

(Received 14th October, 1921.)

SIR, India Office, Whitehall, London, S.W., 13th October, 1921.

WITH reference to paragraph 3 of Mr. Shuckburgh's letter dated 8th October, 1921,* forwarding draft copy of a telegram proposed to be sent to the High Commissioner, Baghdad, I am directed to suggest two alterations in points of detail, which would make the telegram run as follows:—

"Your telegram 21st September, No. 510.† As accounts for 1919-20 are available in Iraq, please telegraph net amounts drawn on India other than by remittances through Posts and Telegraphs showing details, month by month, and also amounts issued by Civil to Military authorities in that year, giving details month by month."

I have, &c.,
C. H. KISCH,
Financial Secretary.

49713

No. 65.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 5.50 p.m., 13th October, 1921.)

TELEGRAM.

13TH OCTOBER. No. 444. Your telegram No. 554.‡ Latest bulletin regarding Vernon indicates that he will be unable to resume work for six months. In these circumstances there can be no question of his visiting Iraq or of Slater going to Jerusalem to discuss matters with him.

I am taking up question of temporary substitute for Vernon, and will consider later whether it will be practicable for substitute to proceed to Iraq. Meanwhile, India Office propose to adhere to plan under which Mitra will visit Baghdad this month with special object of settling Money Order claims. Baxter, of India Office, has already started, see my telegram No. 429, of 6th October.§—SECRETARY OF STATE FOR THE COLONIES.

49189

No. 66.

COLONIAL OFFICE to INDIA OFFICE.

SIR, Downing Street, 15th October, 1921.

I AM directed by Mr. Secretary Churchill to acknowledge the receipt of your letter of the 3rd October,‖ regarding the visit to Baghdad of Mr. Mitra and Mr. Baxter, in connexion with the adjustment of the Money Order transactions between India and Iraq, and to transmit to you, for the information of Mr. Secretary Montagu, a copy of a telegram§ that has been despatched to the High Commissioner for Iraq on the subject.

I am, &c.,
J. E. SHUCKBURGH.

50841

No. 67.

MR. C. H. KISCH (INDIA OFFICE) to MR. F. J. HOWARD (COLONIAL OFFICE).

MY DEAR HOWARD, London, S.W.1, 17th October, 1921.

WITH reference to your letter dated 12th October,¶ on the subject of miscellaneous transactions between the Iraq and India, and this Office letter dated 12th instant,** regarding the continuance of the family allotment system, I enclose, for your information, copy of a telegram on these subjects, which has been sent to the Government of India.

* No. 61. † No. 55. ‡ No. 58. § No 60. ‖ No. 57. ¶ 50352: not printed. ** No. 62.

There will now be no necessity for a reply by you to our letter regarding family allotments.

Yours sincerely,
C. H. KISCH.

Enclosure in No. 67.

THE SECRETARY OF STATE FOR INDIA to VICEROY, FINANCE DEPARTMENT.

TELEGRAM.

15TH OCTOBER. No. 5271. Your telegram dated 3rd October, Mesopotamian finances. Miscellaneous payments. I agree that detailed arrangements should be made in discussion at Baghdad.

2. Your telegram dated 13th October; Family allotments. I am informing Colonial Office accordingly.

51709

No. 68.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 11.53 a.m., 17th October, 1921.)

TELEGRAM.

15TH OCTOBER. No. 584. Your telegram 15th August, No. 319*, Accounts for 1919-20, are not with (?) Government of India. It has been necessary to recast hurriedly previous classification to obtain in required form following figures of ways and means operations in 1919-20 and 1920-21 respectively, which are in lakhs of rupees. Figures for 1920-21 will be modified considerably before accounts are finally closed as the result of review of all suspense, remittance and debt heads for both years now in progress, which will result in material increase in figure of final expenditure. Figures of revenue and final expenditure do not include revenue and expenditure port at Basrah. Receipts first 1919-1920, second 1920-21. Revenue heads 588 and 878. Telegraphic transfers and supply bills, 999 and 613. Net drawings from currency chest and remittances small coin from India, 57 and 258. Net sale proceeds money orders 332 and 564. Other credits adjustable by Controller of War Accounts 54 and 24. Civil suspense remittance and debt heads, 1356 and 2444. Decrease in Treasury balances, nil and 11. Total receipts, 3386 and 4782. Issues first, 1919-1920, second 1920-1921. Final expenditure 464 and 1,012. Net cash issues to military, 1,057 and 1,162. Expenditure under suspense pending recovery from His Majesty's Government or military, 52 and 120. Miscellaneous debits adjustable by Controller of War Accounts mainly against War Office, 262 and 30. Civil suspense remittance and debt heads, 1,523 and 2,458. Increase in Treasury balances, 28 and nil. Total issues, 3,386 and 4,782.

Addressed Secretary of State for the Colonies, London, No. 584, repeated Finance, Simla, No. 2,484 for the information with special reference credits and debits adjustable through Controller of War Accounts, and reference their telegram of 13th August, 1921.†—Cox.

51054

No. 69.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 4.30 p.m., 18th October, 1921.)

TELEGRAM.

No. 453. Your telegram 21st September, No. 510.‡ As accounts for 1919-20 are available in Iraq, please telegraph net amounts drawn on India other than by remittances through Posts and Telegraphs showing details, month by month, and also amounts issued by Civil to Military authorities in that year, giving details month by month.—SECRETARY OF STATE FOR THE COLONIES.

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* No. 44. † Not printed. ‡ No. 55.

54600

No. 70.

INDIA OFFICE to COLONIAL OFFICE.

(Received 3rd November, 1921.)

SIR, India Office, Whitehall, London, S.W., 2nd November, 1921.

WITH reference to this Office letter, dated the 3rd October, 1921 * regarding the claims of the Government of India for arrears in respect of Money Order transactions with Iraq in 1919-20 and 1920-21, I am directed to enclose, for information, copy of a telegram on the subject from Mr. Baxter, who is now examining the relevant accounts at Baghdad on behalf of the Secretary of State, in conjunction with Mr. Mitra, Controller of War Accounts in India.

In explanation of paragraph 2 of this telegram, I am to say that during the greater part of the year 1920-21 sterling Money Orders and Postal Orders were sold by the Iraq Administration at the fixed rate of 2s. per rupee, a large poundage or commission of varying amount being imposed so as to reduce the effective rate for postal remittance to the approximate equivalent of the market rate.

A copy of this letter and its enclosure has been sent to the Treasury and War Office.

I have, &c.,
C. H. KISCH,
Financial Secretary.

Enclosure in No. 70.

MR. BAXTER, c/o ACCOUNTANT-GENERAL, BAGHDAD, to SECRETARY OF STATE FOR INDIA.

(Received 9 a.m., 31st October, 1921.)

TELEGRAM.

30TH OCTOBER. No. 451. Please see skeleton account in High Commissioner, Baghdad, telegram to Colonial Office, dated 15th October, No. 584. Following summarizes position, for your information.

Paragraph 2. Sterling Money Orders have been credited to Money Order(s) Remittance head, at nominal Money Order(s) rate of exchange. Important item of commission goes to Revenue head, so that Money Order(s) figure given in skeleton is not full equivalent of sterling paid out.

Paragraph 3. Mesopotamian accounts being kept in rupees, ways and means statement shows deficit in rupees only; if this is to be made good by means of Parliamentary grant, sterling amounts of latter cannot be calculated by conversion of total rupees deficit, since this represents balance of reciprocal liabilities sterling settlement of which is at various rates of exchange, according to when contracted. Accurate computation on Mesopotamian side, with amount to be found by Parliament, can only be made by recalculating ways and means accounts month by month on sterling basis; this process is likely to be difficult and lengthy, owing to accounts having previously been consolidated quarterly, not monthly. Attempt is now being made to devise method of stating position in way which, while obviating detailed recalculation, would satisfy Treasury for the purpose of obtaining vote.

Paragraph 4. Difficulty in paragraph 3 above does not apply to amounts due by War Office in respect of 1920-21, since recoveries under War accounts have been it (*sic*/ ?in) sterling and balance recoverable can be ascertained by deducting these from sterling amount of assignments, of which monthly figures are known.—BAXTER, c/o Accountant-General, Baghdad.

N.B.—This telegram came addressed to "Nancitor, c/o. Secretary of State for India." "Nancitor" means paragraph 2.

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* No. 57.

56345

No. 71.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 7.10 p.m., 10th November, 1921.)

TELEGRAM.

9TH NOVEMBER. No. 656. Please refer Government of India Finance Department telegram of 28th August, No. 3657, C.W.C.,* to Secretary of State for India. Procedure for settlement of Iraq liability for rupee foreign money order from 1st April, 1921, to date of introduction of formal agreement. Iraq Government prefer settlement on sterling basis, month by month, through Secretary of State for the Colonies, rather than settlement by cash payment in India. Addressed Secretary of State for the Colonies, No. 656, repeated Secretary of State for India, repeated Director-General Posts and Telegraphs, Calcutta, reference his telegram of 6th October to Director of Posts and Telegraphs, Baghdad, No. 2641.—Cox.

56765

No. 72.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 11.55 p.m., 13th November, 1921.)

TELEGRAM.

12TH NOVEMBER. No. 663. Government of India claim in respect of money orders 1920-21, namely, sterling money orders £3,259,473 and rupees money order £2,454,668, total £5,714,141, is accepted as approximately correct subject to adjustment of small differences aggregating £200 approximately. (?)And.

Addressed Secretary of State for the Colonies, No. 663, repeated Finance, Simla, with reference to telegram dated 27th September, No. 2661.—Cox.

56766

No. 73.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 5.15 a.m., 14th November, 1921.)

TELEGRAM.

12TH NOVEMBER. No. 664. In continuation of my telegram 12th November, No. 663,† you will observe that 1920-21 figure for net sale proceeds money orders 5 crore 64 lakhs communicated in my telegram 15th October, No. 584,‡ appears small compared with sterling liability now accepted. Former figure represents credits booked to money orders remittance head, and in case of sterling money orders the credits to money orders remittance are effected at a conventional money order conversion rate, the commission being credited to money order revenue. For example, during December, 1920, effective sale price of a money order from £1 sterling was 15 rupees. Of this 10 rupees only would be credited to the money order remittance head and 5 rupees as money order commission. My acceptance of £5,714,141 will involve transfer of considerable amount from money order revenue head to money order remittance head estimated roughly at (?) 41 lakhs.—Cox.

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* Enclosure in No. 48. † No. 72. ‡ No. 68.

51239

No. 74.

EXPENDITURE ON DEFENCE.

A CONFERENCE was held at the Treasury on 22nd November, 1921.

Present:

Mr. Millar (in the Chair).	Treasury.
Mr. Headlam,	
Mr. Watson,	
Mr. Skevington,	
Mr. Rowe Dutton,	War Office.
Mr. Crosland,	Air Ministry.
Mr. Holloway,	
Mr. Caines,	
Mr. Robinson,	India Office.
Mr. Howard,	Colonial Office (Middle Eastern Department).

1. Mr. Millar asked Mr. Howard to explain what were the precise propositions which he wished to submit to the Conference. Mr. Howard explained that, as from the 1st October, 1922, on which date Air Ministry would assume responsibility for the defence of Mesopotamia, the Secretary of State wished to deal with only one Home Department as regards British forces, and to deal direct with the India Office as regards Indian troops. He suggested therefore that, as from that date or possibly even from 1st April, 1922, provision should be made for all British forces on Air Votes, and for Indian forces on the Middle Eastern Vote only. Mr. Millar pointed out that this involved two separate questions—(1) as to provision in Estimates, and (2) as to accounting arrangements between the Middle Eastern Department and the other departments concerned. *Prima facie*, it appeared to him wrong that provision should be made for Army personnel anywhere else than in Army Votes. He would like to know what was Mr. Crosland's opinion on this point.

Mr. Crosland stated that, in his view, any troops administerd by the War Office must be shown in Army Estimates—that is, certainly the British Infantry battalions. Mr. Watson asked whether, granting this, there was any reason why Air Ministry should not act as agent for the Colonial Office and deal with the War Office on their account. They (Air Ministry) would then receive from the War Office the figures for the provision to be made for British troops in the Middle Eastern Vote, and could incorporate them with the Air Ministry figures and send the whole to the Colonial Office. They would also collect from the Colonial Office the repayments from the Middle Eastern Vote, crediting the Army share to a Suspense Account, and would repay the War Office out of the Suspense Account. It was generally agreed that such an arrangement was quite practicable, though Mr. Crosland pointed out that the intervention of yet a third department might tend still further to increase the complications of Middle Eastern financial work.

Some question arose as to whether the War Office should discuss their Estimate direct with the Colonial Office.

Mr. Holloway considered that the Colonial Office would need the advice of the Air Ministry as generally responsible for defence, and that there was no greater delay in sending the estimate through the Air Ministry than in sending it direct to Colonial Office and then back to Air Ministry for remarks.

Mr. Crosland was, however, of opinion that the War Office would in any case have to discuss their Estimates for 1922-23 for the most part direct with the Colonial Office.

Mr. Howard stated that it was proposed to have only one sub-head instead of two in next year's Middle Eastern Vote, particulars being given under Part III. It was agreed that there was no objection to this proposal.

It was also agreed that there was no objection in principle to the arrangement which had been proposed to the War Office that, as from the 1st April next, the Air Ministry should take over all works' services.

2. It was possible that departmental services might be taken over entirely by the Air Ministry. It was pointed out that, if and when this occurred, all expenditure upon them would naturally be charged to Air Votes.

Mr. Crosland, however, raised two points in this connexion—(1) the War Office letter of 15th November, 1921, to the Air Ministry had agreed to provide certain departmental officers on the understanding that they should be merely *lent* at their War Office rates of pay and not seconded for a separate engagement under the Air Ministry, but arrangements should be made to charge the pay of these officers to Air Votes.

(2) The War Office would be responsible for the pay of the Army battalions in Iraq, but it would be for consideration how far the Air Ministry should recover from the War Office the cost of rations and other articles issued to the troops out of Air Ministry stocks in Iraq. These points could be left for further consideration.

3. *Indian Troops.* The Cabinet has decided that, as from 1st October, 1921, the Colonial Office should deal with India direct, the idea being that a capitation rate should be fixed which should come into effect on 1st April, 1922, and should be applied retrospectively to 1st October, 1921. It was, however, very doubtful whether it would be possible to arrange for a capitation rate until the Indian troops had been reduced to the permanent post-war establishment.

It was pointed out that the Indian troops employed in Mesopotamia must be included in some Vote "A." It was obviously undesirable that a special Vote "A" should be introduced in connexion with the Middle Eastern Vote. The alternative lay between including these Indian troops in Army Vote "A," which was the more natural arrangement, and including them in Air Vote "A" as part of the Air forces. In any case, however, they must be provided in Army Vote "A" for next year, since Air Force could not take them over until 1st October, 1922. It would be possible, notwithstanding this, that Army Votes should provide for their cost for the first half of the year only; Air Votes providing for it for the second half of the year. There were, however, practical objections to making this change in the middle of the year. On the 1st October, 1922, even if the Indian troops were reduced to the permanent establishment contemplated, there would be many arrear charges outstanding in respect of the troops sent back to India in the first half of the financial year. The only expenditure, therefore, which would be omitted from Army Votes would be the cost of two battalions for the second half of the year. This would be such a small proportion of the total expenditure for the year, and so many questions would remain outstanding between the War Office and the India Office, that it would be desirable for the War Office to include provision for these troops in Army Estimates for the whole of the year. The procedure would then be the same as that proposed in the case of the white battalions, namely, that the War Office would send in their bill to the Air Ministry, who would incorporate it with the Air Force bill and pass the total on to the Colonial Office. In the meantime, so far as the India Office were concerned, they would continue to deal direct with the War Office as at present. The existing arrangement was that the War Office paid the troops direct, but it paid the India Office for the incidental expenditure incurred in India on stores, depots, etc.

This view was accepted by the Conference.

It was agreed that the question whether Air Ministry or War Office should provide for Indian troops after 1922-23 need not be decided at present, but should be reconsidered a year hence in the light of conditions then existing.

58273

No. 75.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 23rd November, 1921.)

TELEGRAM.

[*Answered by Nos.* 78, 86, *and* 103.]

18TH NOVEMBER. No. 688. Following is summary of ways and means position of Iraq until the end of year 1920-21 as prepared by Mitra after examination of accounts either sent to India or shown to him here, supplemented by such information as was readily available and was placed before him. Figures are still approximate, but this factor is not likely to affect materially general position as summarized in this telegram.

Section 1.—Until the end of year 1918-1919 Iraq revenue amounted to 7 crore 6 lakhs, and Iraq expenditure to 5 crore 74 lakhs, inclusive of 43 lakhs net debit under civil suspense remittance and debt heads, bulk of which will, on completion of examination of accounts, probably be charged off as final expenditure. Of excess of revenue over expenditure amounting to 1 crore 32 lakhs, 24 lakhs was placed at disposal of India and made available for military expenditure in Mesopotamia, and 1 crore 8 lakhs went to form Iraq's cash balances which stood on 1st April, 1919, at latter figure. On the other hand, India has paid His Majesty's Government 1 crore 2 lakhs on account of surplus Iraq revenues during the period, and sum of 78 lakhs will have to be repaid by His Majesty's Government to India. Payment of this sum will probably have to be made at rate of 18 pence the rupee prevailing at end of year 1918-1919; if so, amount repayable is about £580,000. Mitra wishes to add that, as explained in paragraph 4 of India telegram of 14th February, 1921,* this repayment would not have been necessary but for heavy money orders drawing in 1919-1920. Figure of 1 crore 2 lakhs will require verification by India as Mitra has not relevant papers with him.

Section 2: 1919-1920.—Certain figures for this year have already been furnished in my telegram of 15th October last.† These figures have been examined by Mitra in consultation with Iraq Accounts Department, and following are revised figures:—Receipt Iraq Internal transactions: Revenue, 588; Suspense remittance and debt heads, 1,391; total, 1,979; External transactions, telegraphic transfers and supply bills on India, 962; net drawings from currency chest and specie remittances, 72; net sale proceeds of money orders on India and United Kingdom, 332; miscellaneous credits due to India, 44; total receipts, 3,389. Expenditure Iraq Internal transactions: Revenue, 468; Suspense remittance and debt heads, 1,473; outstanding foreign remittances, 3; increase of cash balance, 28; total, 1,972. External transactions funds supplied to military disbursing officers rendering accounts to India, 1,242. Miscellaneous debits adjustable by India, 144. Expenditure under suspense pending recovery from War Office, 18, namely, charges of Political Officers in West Persia in theatre of operations of Mesopotamia force, 6; repatriation of refugees, etc., 5; rent of military billets, 3; claims of Irrigation Department, 4; expenditure under suspense pending recovery from His Majesty's Government 3 (13), being net funds supplied to Suleimaniyah‡ late Administration; total expenditure, 3,389. Question of securing recovery in respect of claims aggregating 31 lakhs above-mentioned is dealt with further in section 5. Position in respect of India in any case is that she is entitled to credits aggregating 1,410 lakhs, against which should be set off debits aggregating 1,386 lakhs, giving net balance in her favour of 24 lakhs, which at the mean rate of exchange for 1919-20, namely about 1s. 11d. the rupee, would amount to approximately £230,000.

Section 3: 1920-21.—Here also certain figures have been furnished in my telegram of 15th October.† Figures as revised by Mitra in consultation with Iraq Accounts Department are as follows:—Receipts: Iraq Internal transactions: revenue, 480 [840]; suspense remittance and debt heads, 2,363; outstanding foreign remittances, 8; decrease in Treasury balance, 2; total, 3,213. External transactions: Telegraphic transfers and supply bills on India, 620; net drawings from currency chest, etc., 242; funds received from military disbursing officers in Mesopotamia rendering account to India, 77; net sale proceeds of money orders on India and United Kingdom, 605; miscellaneous credits due to India 115; total receipts, 4,872. Charges Iraq Internal transactions, 1,025; suspense remittance and debt heads, 2,479; total 3,504. External transactions: Net funds supplied to Command Paymaster, 1,232 [1,242]. Expenditure under suspense pending recovery from military, 87, namely (?)charges of Political Officers, 8; repatriation, 13; rents of billets, 8; (?)other civil claims, 26; railways claims, 30; irrigation claims, 2; expenditure under suspense pending recovery from His Majesty's Government, 9 lakhs on account of Suleimaniyah; miscellaneous debits adjustable by India, 30; total expenditure, 4,872. (?)Total amount of funds supplied by India is 862 lakhs by (?)telegraphic and currency transfers, etc., equivalent at appropriate monthly rates to £8,100,000; 605 lakhs by money orders equivalent at appropriate monthly rate to £5,710,000, and 77 lakhs equivalent at rate of exchange for April, 1920, being (?)month of (?)payment (to) £1,030,000. Last figure may [is] in effect be regarded as [residue] of India claim in respect of Iraq money orders in 1920-21 [1919-20]. Out of total amount of £14,840,000, £8,100,000 has been charged by India to War Office in war accounts, and hence £6,740,000 is still due to her. Command Paymaster has received 1,242 lakhs from Iraq, equivalent at appropriate monthly rate of exchange to £12,020,000. Out of sum of £6,740,000 still due to India in respect of supply of funds, £3,920,000 is thus chargeable to War Office and £2,820,000

* Enclosure 3 in No. 3. † No. 68. ‡ Southern Kurdistan.

to Iraq. Further sum due to India in respect of miscellaneous credits and debits is 85 lakhs net. At average rate (?)at which sum of £2,820,000 was obtained sterling equivalent to 85 lakhs would be £790,000, (?)total amount due to India from Iraq thus amounts to £3,610,000. Against this figure a sum of £890,000 is (?)due from His Majesty's Government to Iraq according to her accounts. The matter is dealt with further in section 5, below.

Section 4.—Reduction of 38 lakhs in Iraq revenue in 1920-21 as compared with my previous figure is mainly due to transfer of 41 lakhs to money order remittances. See my telegram of 12th November, No. 664.* Reduction of (?)81 lakhs in credits under internal suspense, etc., heads is due to transfer to credits to India of an equal sum held in deposit in Iraq railway accounts to meet India's claim on account of family allotment and other charges connected with technical recruits obtained from India. One half of sum has already been paid to India in current year. Figures for 1919-20 and 1920-21 show large net debits under Iraq suspense remittance and debt head. It has not been possible for Mitra to analyse these net debits without prolonging his stay in Mesopotamia for much longer period. Figures are being analysed by local Accounts Department. *Prima facie* (?) it seems probable that bulk of net debit will have to be transferred to final expenditure, though in 1919-20 some items may still be discovered which are properly adjustable in Indian war accounts.

Section 5.—Figures of expenditure under suspense in 1919-20 and in 1920-21 pending recovery from military are based on actual entries in Iraq accounts. It will be seen that they aggregate 105 lakhs. It has been proposed recently to settle all outstanding mutual claims for 1920-21 by a payment of 109 lakhs from army to civil, and to drop the claims for preceding years. See General Headquarter's letter to War Office dated 28th September. If this proposal is accepted, 17 lakhs out of this sum of 109 lakhs will have to be paid to port, whose accounts are not incorporated in Iraq accounts, and figures for which are not included in present review of the position (?)balance of (?)92 lakhs will fall short of the figure of 105 lakhs entered in present review by 13 lakhs, and this amount, approximately £120,000, will have to be added to Iraq expenditure for 1920-21. It may be mentioned at the same time that bulk of claims of 18 lakhs had been admitted by Military Financial Adviser as well as a claim of about 60 lakhs in 1918-19, mainly in account of revenue grain supplied to Military. If it is permissible to revive claims for both 18 lakhs and 60 lakhs, the Iraq civil account will benefit to extent of about £550,000. Claims of 22 lakhs, or roughly £200,000, against Suleimaniyah will probably have to be met by a grant-in-aid from His Majesty's Government.

Section 6.—General summary of position is as follows. A total sum £8,340,000 was due to India from His Majesty's Government until the [to] end of 1920-21. The allocation of this sum is as follows: War Office on account of funds supplied to Command Paymaster in Mesopotamia by Iraq £3,920,000. Iraq civil £9,220,000 [?£4,220,000]; Suleimaniyah £200,000. Iraq civil is, however, entitled to recover from Military a sum varying between locally agreed amount of £860,000 for 1920-21 only, and maximum of £1,410,000. Figure which His Majesty's Government may desire to adopt on this account will form an addition to War Office liability by reduction of (?)liability of Colonial Office. Latter will also (?be) further reduced by £680,000 held by His Majesty's Government on account of Iraq. £790,000 out of India's claim is not to be paid to her direct, but through Iraq, as large payment has already been made to her by Iraq in current financial year in respect of this sum.

Section 7.—Iraq cash balance on 31st March, 1921, amounted to 106 lakhs, exclusive of 15 lakhs soiled notes not actually remitted to India by that date, and which therefore formed technically part of Iraq balance. Both Armitage Smith and Young agree that whole of this amount should not be taken as reduction of additional grant-in-aid to Iraq by (?)addition to capital debt, but that Iraq should be given a reasonable amount of working balance.

Statement of position in above telegram is (?)based on draft prepared by Mitra in the whole: it has been discussed with Armitage Smith and Young.

Addressed, Chapelries, who will please furnish copy to India Office.

Repeated Government of India, No. 2694.

* No. 73.

Annexure.

SUMMARIZED STATEMENT OF DETAILS GIVEN IN HIGH COMMISSIONER'S TELEGRAM, No. 688.

Iraq.—Ways and Means Statement for period 1st April, 1918, to 31st March, 1921.

RECEIPTS.
(in Lakhs of Rupees)

	1918-19	1919-20	1920-21	Total.
Internal.				
Total Revenue	706	588	840	2,134
Suspense Remittance and debt heads ...	—	1,391	2,363	3,754
Foreign Remittances	—	—	8	8
Total Internal Suspense ...	—	1,391	2,371	3,762
External.				
Telegraphic Transfers and Supply Bills on India	—	962	620	1,582
Currency Chest and Specie from India ...	—	72	242	314
Net proceeds of Money Orders U.K. and India	—	332	605	937
From Military disbursing officers accounting to India	—	—	77	77
Miscellaneous items due to India	—	44	115	159
Total External (India) ...	—	1,410	1,659	3,069
Balance, Cash in hand at beginning of year	—	108	136	—
	706	3,497	5,006	8,965

PAYMENTS.
(in Lakhs of Rupees.)

	1918-19	1919-20	1920-21	Total.
Internal.				
Total Expenditure	574	468	1,025	2,067
Suspense Remittance and debt heads ...	—	1,473	2,479	3,952
Foreign Remittances	—	3	—	3
Total Internal Suspense ...	—	1,476	2,479	3,955
External.				
Payments to India for Military expenditure in Iraq	24	—	—	24
Payments to Military disbursing officers ...	—	1,242	—	1,242
Miscellaneous debits adjustable by India ...	—	144	30	174
Total External (India) ...	24	1,386	30	1,440
Net funds supplied to Command Paymaster	—	—	1,242	1,242
Total External ...			1,272	2,682
Amounts treated as recoverable from War Office:—				
Political Officers N.W. Persia	—	6	8	14
Repatriation of Refugees	—	5	13	18
Rent of Military Billets	—	3	8	11
Irrigation Department	—	4	2	6
Civil Claims	—	—	26	26
Railway Claims	—	—	30	30
Total External (War Office) ...	—	18	87	105
Amounts treated as recoverable from H.M. Government:—				
Suleimaniyeh Administration	—	13	9	22
Balance, Cash in hand at end of year ...	108	136	*134	134
	706	3,497	5,006	8,965

Part 7 of High Commissioner's telegram No. 688 gives the balance in hand on 31st March, 1921 as:—

Cash 106 lks.
Soiled Notes 15 lks.

121 lks.

* A telegram has been sent asking for an explanation of the discrepancy.

* No. 78.

58627

No. 76.

TREASURY to COLONIAL OFFICE.

(Received 25th November, 1921.)

SIR, Treasury Chambers, 24th November, 1921.

I AM directed by the Lords Commissioners of His Majesty's Treasury to transmit herewith, for the information of the Secretary of State for the Colonies, a copy of a letter, dated the 3rd ultimo,* from the India Office on the subject of the claims of the Government of India for arrears in respect of Money Order transactions with Iraq in 1919-20 and 1920-21, and of the Treasury reply of even date.

I am to take this opportunity of referring to the Treasury letter of the 25th of July last,† relative to the provision of funds in Iraq as a working balance, and to inquire whether Mr. Churchill is causing a reply thereto to be deferred until the investigations now being made in Iraq by Major Young and Mr. Armitage Smith have been completed.

I am, &c.,
G. L. BARSTOW.

Enclosure in No. 76.

SIR, Treasury Chambers, 24th November, 1921.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Barker's letter of the 3rd of October last, with enclosures, further on the subject of the claims of the Government of India for arrears in respect of Money Order transactions with Iraq in 1919-20 and 1920-21, and they direct me to request you to convey to the Secretary of State for India the following reply.

My Lords note that practical agreement has now been reached between the Government of India and the Iraq Administration as to the amounts involved, and that every effort is being made to expedite the production of the supplementary information which will be necessary before an Estimate can be presented to Parliament for the amount payable from Imperial funds.

The Secretary of State for the Colonies will, no doubt, take the necessary steps in conjunction with Mr. Montagu, to secure that this information is available in time for the presentation of a supplementary Estimate in the current financial year in accordance with the Cabinet directions referred to in the fourth paragraph of the letter under reply. Their Lordships will be prepared to authorize the submission of a supplementary Estimate for the full amount payable from Imperial funds, in February next, if the necessary information has by then been obtained.

I am, &c.,
G. L. BARSTOW.

The Under Secretary of State,
India Office.

58692

No. 77.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 6.25 p.m., 24th November, 1921.)

TELEGRAM.

24TH NOVEMBER. No. 713. Please refer to letter 28th September, Q/5613, from General, Bagdad, to Secretary War Office.‡ Agree to proposal and trust that you will be able to (?)support it.—Cox.

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* Enclosure 4 in No. 57. | 37158: not printed. ‡ Enclosure 1 in No. 80.

58273

No. 78.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 1.10 p.m., 28th November, 1921.)

[*Answered by No.* 90.]

TELEGRAM.

(No. 543.)

ACCORDING to details in your telegram 18th November, No. 688,* Iraq cash balance 31st March last should be 134 lakhs and not 121 lakhs mentioned in section seven. What is explanation of apparent discrepancy?—SECRETARY OF STATE FOR THE COLONIES.

59277

No. 79.

INDIA OFFICE to COLONIAL OFFICE.

(Received 30th November, 1921.)

SIR, India Office, Whitehall, London, S.W., 29th November, 1921.

WITH reference to Major Young's letter of 10th August last,† regarding the adjustment of transactions between the Civil Administration of Iraq and the Government of India, I am directed to transmit, for information, a copy of the following telegrams exchanged with that Government on the subject, viz.:—

Secretary of State to Viceroy, 18th August, 1921, No. 4225.
Viceroy to Secretary of State, 28th August, 1921, No. 3657, C.W.C.‡
Secretary of State to Viceroy, 16th September, 1921, No. 4772.
Viceroy to Secretary of State, 30th September, 1921, No. 3820, C.W.C.
Secretary of State to Viceroy, 6th May, 1921, No. 2347.§
Controller of War Accounts to Secretary of State, 22nd July, 1921, No. 635, A.C.
Secretary of State to Controller of War Accounts, 29th August, 1921, No. 4434.
Secretary of State to Viceroy, 29th September, 1921, No. 4982.
Viceroy to Secretary of State, 8th October, 1921, No. 3855, C.W.C.

From this correspondence it appears that the delay on the part of the Indian authorities in presenting claims against Iraq on account of miscellaneous transactions is due largely to the changes in control and responsibility amongst the connected departments of His Majesty's Government and the consequent uncertainty regarding the accounts in which these claims should be included.

I have, &c.,
E. J. HOPKINS,
for Financial Secretary.

Enclosure in No. 79.

From Secretary of State to Viceroy, Finance Department,
18th August, 1921.

4225. Please see telegram from Cox, 342, dated 27th July, to Secretary of State for Colonies, repeated to you 1969. Government of India claims against Iraq Civil Administration. Please let me have your observations by telegraph.

From Secretary of State to Viceroy, Finance Department,
16th September, 1921.

4772. Please refer to my telegram of 18th August, 4225. Miscellaneous claims against Iraq. Am I to understand from paragraph 6 of your telegram of 28th August, 3657, that items mentioned in Baghdad telegram to Colonial Office, dated 27th July, are being included by you in accounts of recoverable war expenditure? If not, in what accounts are they being charged?

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* No. 75. † No. 41. ‡ Enclosure in No. 48. § Enclosure 2 in No. 10.

From Viceroy, Finance Department, 30th September, 1921.

3820, C.W.C. Your telegram dated 16th September, 4772. Miscellaneous claim(s) against Irak. Charges relate mostly to technical recruit(s) for civil department(s) in Irak. Correct method of adjusting these was in doubt owing to absence of orders of His Majesty's Government on our Army Department telegram dated 19th June, 1920, 7780, a reply to which was sent in Pepys' letter M. 1030, dated 3rd February last. After discussion with Gaul, Mitra allowed charges to be included in War Accounts, leaving adjustments between departments in England to be carried on there. This procedure seemed to be confirmed by paragraph 3 of your telegram dated 6th May, 1921, 2347. In view, however, of instructions communicated to our Controller of War Accounts, in your telegram dated 29th August, 1921, 4434, charges have been withdrawn from War Accounts, and separate claim against Irak is being prepared.

From Secretary of State to Viceroy, Finance Department, 6th May, 1921.

2347. Your telegram of 11th April. Mesopotamian finances. [*Printed as enclosure 2 in No. 10.*]

From Controller of War Accounts, Simla, 22nd July, 1921.

635 A.C. Your telegram dated 14th July last, 3506. Agriculture and irrigation charges, Mesopotamia. Subject under reference to Field Controller in respect of expenditure accounted for by him. Is it necessary to proceed further in the matter in view of arrangements come to at Cairo? Please see your telegram of 6th May last, 2347, from Secretary of State for India to Viceroy, Finance Department.

From Secretary of State to Controller of War Accounts, Simla, 29th August, 1921.

4434. Your telegram dated 22nd July, 635 A.C. Agriculture and irrigation charges, Mesopotamia. War Office request erroneous charges against Army Funds should be written back for recovery in the accounts of Civil Administration. In this connexion please see my telegram in the Financial Department, dated 18th August, 4225.

From Secretary of State to Viceroy, Finance Department, 29th September, 1921.

C.—4982. Mesopotamia. Cabinet have decided that all arrears of expense and other capital charges already incurred are to be settled without fail within present financial year, thus enabling fair start to be made in 1922-23. See also my telegram No. 4616, dated 7th September. to Army Department.

2. War Office desire to effect reduction of garrison in such manner as to bring all demobilization charges for Indian troops within 1921-22, and ask assurance that it will be possible for you to bring to account in 1921-22 all such charges for troops leaving Mesopotamia by 31st December next. If difficulty in securing this they wish to ascertain why and what is latest date of departure from Mesopotamia which will secure result.

Please telegraph as soon as possible.

From Viceroy, Finance Department, 8th October, 1921.

3855 C.W.C. Your telegram dated 29th September, 1921, 4982. Mesopotamia.

1. We are issuing instructions that all claims by us against civil Government in respect of transactions which have already taken place should be brought to account and settled in accounts of 1921-22.

2. It will not be, however, possible for us to bring to account in 1921-22 all demobilization charges for Indian troops and other personnel returning from Mesopotamia, unless such troops and personnel reach India before the 15th December next; the reason being that if the troops arrive by later date their pay and allowances for March, which are chargeable to His Majesty's Government under formula of allocation adopted by us, will have to be paid in April next.

Attached to 58692

No. 80.

WAR OFFICE to COLONIAL OFFICE.

(Received 1st December, 1921.)

[*Answered by No. 83.*]

War Office, London, S.W.1, 30th November, 1921.

THE Secretary of the War Office presents his compliments to the Under Secretary of State for the Colonies and is commanded by the Army Council to transmit, for his information, copies of two letters from the General Officer Commanding, Iraq, on the subject of the claims between Civil and Military in Iraq.

Reference: Colonial Office letter of 25th inst.*

Enclosure 1 in No. 80.

(No. Q/5613.)

General Headquarters,
Mesopotamian Expeditionary Force, 28th September, 1921.

SIR,

WITH reference to your telegram 60098 (F.1.) of the 26th July last, on the subject of the proposals made at the Cairo Conference for the adjustment of outstanding claims between the Civil Administration and the Army, I have the honour to report that little progress has been made towards the settlement of undisputed claims for 1920-21 as the Civil Administration have not stated what portion of the Army claims they are able to accept, and, with few exceptions, have not submitted detailed bills and vouchers in support of their claims against the Army.

2. The Civil Administration have now submitted proposals for the settlement of the mutual claims for 1920-21 by compromise and without reference to detailed vouchers. They point out that work on all claims relating to the period prior to 31st March, 1921 was suspended in May last, shortly after the Cairo Conference, and has not been resumed; and it is understood that in view of the pressure under which current work is being handled, they would have great difficulty in now undertaking, in addition, the labour involved in reviving the older accounts referred to. They further represent that owing to the special circumstances of last year, when expenditure was frequently incurred by Political Officers on behalf of the Army in emergencies which left no time or opportunity for approval to be obtained, or, in some cases, for such accounts to be kept as would meet the requirements of a Military audit, there would be numerous claims which would become the subject of a great deal of correspondence with no ultimate saving to the State. Finally, they state that if their proposals are accepted, the net sum to be paid by the Army to the Civil Administration will be credited to His Majesty's Government in the Civil books for 1920-21 and not to Iraq revenues.

3. From the Military Command point of view the proposal is strongly supported. It is estimated that exhaustive examination of all vouchers in detail would in the end be unlikely to produce a result differing materially from the net payment proposed under the compromise. Such an examination would require the services of a number of officers and clerks for an indefinite period; and if the examination is not commenced very shortly, the relief staff of the R.A.P.D. that would be called upon to undertake it would be entirely strange to the problems and difficulties peculiar to the transactions that have taken place in this Command. While the proposition may have financial aspects of which I am not aware, it presents itself to me as one merely involving the transfer of a certain amount from one Department of State to another, and that the transfer of an amount which on examination of vouchers proved to be inaccurate would not involve the State in any loss. The point has not been lost sight of that detailed audit might bring to light a certain number of transactions involving recoveries of sums from other parties, but there is no reason for anticipating that any appreciable amount would be so recoverable, and it is considered that any such amounts would be more than covered by the saving of staff that would result from abandoning both compilation and audit of claims.

4. A statement (A) is enclosed showing, by Departments of the Civil Administration, the sums due to and by the Army. The compromise suggested is set out

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* Not printed.

in statement (B). The claim that items 12, 13, and 14 of statement (A) should be paid in full is made on the ground that full accounts and vouchers in support of the expenditure are available, that items 12 and 13 represent cash advanced to Imprest holders, and that full liability for the expenditure was accepted. The proposed sixty-six per cent. for the rents of military billets is no doubt based on some proportion that Municipal assessments bear to Military rents; the former rate has actually been paid to owners of billets by the Civil Administration, while the War Department has hitherto not undertaken to pay more than pre-War rents plus ten per cent.

5. It should be noted that the figures in the enclosures do not contain any amounts in respect of the capital value of assets taken over by the Civil Administration from the Army, e.g., railways, port, posts, telegraphs, bridges, etc.

6. Should the proposed compromise be approved it is of definite importance that apart from the question of capital values referred to in the previous paragraph —the adjustment be finally accepted by all concerned as a complete settlement of all outstanding claims between the Civil Administration and the Army relating to the period prior to 1st April, 1921; and that no claims relating to this period that may subsequently arise will be considered.

7. I strongly urge acceptance of these proposals as being in the interests of the public service; and would request that a reply by cable may be sent at an early date.

8. I understand that the High Commissioner is submitting similar proposals to the Colonial Office.

I have, &c.,
GILBERT FRITH,
Colonel-on-the-Staff,
i/c. Administration,
for Lieutenant-General,
General Officer Commanding-in-Chief,
Mesopotamian Expeditionary Force.

The Secretary,
War Office,
London, S.W.1.

"A"

APPROXIMATE STATEMENT OF MUTUAL CLAIMS BETWEEN CIVIL AND MILITARY SHOWING OUTSTANDINGS (A) FOR THE PERIOD UP TO 31ST MARCH, 1920, AND (B) FOR THE PERIOD FROM 1ST APRIL, 1920, TO 31ST MARCH, 1921, ACCORDING TO CIVIL BOOKS.

Departments against or by whom claimed.	Military Claims against Civil.			Civil Claims against Military.		
	Total as per A G.'s No. 1309 dated 30/7/21	Up to 31/3/20 (A)	1920-21 (B)	Total as per A G.'s No. 1309 dated 30/7/21	Up to 31/3/20 (A)	1920-21 (B)
1. Civil Works	4,41,783	—	4,41,783	6,43,000	—	6,43,000
2. Irrigation	7,60,846	4,24,200	3,36,646	11,04,000	8,83,000	2,21,000
3. Agriculture	1,11,306	1,11,306	—	—	—	—
4. Telegraphs	80,241	6,496	73,745	5,45,000	1,38,000	4,07,000
Posts ...				24,90,000	—	24,90,000
5. Civil Transport ...	6,67,132	2,46,683	4,26,449	4,44,000	—	4,44,000
6. Civil Stores	1,54,276	81,851	72,425	2,000	—	2,000
7. D.A.G. (Civil) ...	14,48,164	13,22,040	1,26,124	120,00,000	94,00,000	26,00,000
8. Levies...	1,41,905	—	1,41,905	—	—	—
9. Port Director ...	6,22,605	—	6,22,605	21,74,000	—	21,74,000
10. Director of Health ...	14,946	—	14,946	—	—	—
11. Railways D.A.G. (Civil) on a/c of	40,43,360	—	40,43,360	69,32,000	—	69,32,000
12. Arabistan	—	—	—	3,00,000	2,20,000	80,000
13. Persian L. of C. ...	—	—	—	10,00,000	3,50,000	6,50,000
14. Refugees	—	—	—	23,50,000	5,00,000	18,50,000
15. Rent of Military Billets	—	—	—	7,00,000	—	7,00,000
Total	84,86,564	21,92,576	62,93,988	3,06,84,000	1,14,91,000	1,91,93,000

"B"

SUGGESTED COMPROMISE.

Claims by the Army against Civil Administration.

1. For the period to 31st March, 1920—to be waived—Rs. 21,92,576.
2. For the period 1920-21; eighty per cent. of the claim to be paid:
   Amount of claim = Rs. 62,93,988
   Eighty per cent. = Rs. 50,35,200

Claims by the Civil Administration against the Army.

3. For the period to 31st March, 1920—to be waived—Rs. 114,91,000.
4. For the period 1920-21:—
   (*a*) Eighty per cent. on items 1 to 11 of statement "A" to be paid.
   Total of items 1 to 11 = Rs. 159,13,000
   Eighty per cent. = Rs. 127,30,400
   (*b*) Items 12, 13, and 14 to be paid in full = Rs. 25,80,000
   (*c*) Sixty-six per cent. of items 15 to be paid = Rs. 4,62,000
   Rs. 157,72,400

Balance to be Paid.

Due to the Army ...	Rs. 50,35,200	Due by the Army ...	Rs. 157,72,400
Cash recently paid by Army to Civil ...	Rs. 1,46,600	Cash recently paid by Civil to Army ...	Rs. 2,99,300
Balance to be paid ...	Rs. 108,89,900		
	Rs. 160,71,700		Rs. 160,71,700

Enclosure 2 in No. 80.

(Q/5613.)

General Headquarters,
Mesopotamian Expeditionary Force,
Baghdad, 14th October, 1921.

SIR,

WITH further reference to your telegram 60098 (F. 1.) of the 26th July last, and in continuation of my letter of the 28th ultimo, on the subject of outstanding claims between the Army and the Civil Administration, I have the honour to request that the following further two items brought to light since the despatch of my letter quoted may be taken into consideration with the figures previously reported, viz.:—

1. Subsequent to the 31st March, 1921, the Command Paymaster has received the sum of Rs. 4,50,000 in liquidation of certain of the claims against the Civil Administration in respect of the period prior to the 1st April, 1920. The total of these claims in statements "A" and "B" accompanying my previous letter took no account of this sum.

2. The claims by the Army against the Civil Administration for the financial year 1920-21 should have included a sum of Rs. 7,85,193 in respect of the difference in price of fuel oil issued to Departments of the Civil Administration between September, 1920, and March, 1921. The general question of the price of fuel oil is dealt with in War Office file Contracts O/5477.

I have, &c.,
G. FRITH,
Colonel-on-the-Staff,
i/c. Administration.
For Lieutenant-General,
General Officer Commanding-in-Chief,
Mesopotamian Expeditionary Force.

The Secretary,
War Office,
London, S.W.1.

Copy to Financial Adviser to High Commissioner, Financial Adviser and Local Auditor, Command Paymaster, "A."

51239

No. 81.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 85.]

SIR, Downing Street, 17th December, 1921.

I AM directed by Mr. Secretary Churchill to refer to the Inter-Departmental Conference held at the Treasury on the 22nd November, 1921,* on the subject of provision in Estimates, 1922/23, and accounting arrangements between this Office and other Departments concerned arising out of the Cabinet decision of the 18th August last to transfer to the Air Force the responsibility for the defence of Iraq as from 1st October, 1922, and Mr. Churchill has had under consideration the revised minutes of that Conference, and whilst he regrets it has not been found possible to make provision for all British forces in Iraq on Air Votes and for Indian Forces on the Middle Eastern Vote only for the financial year 1922/23, he is prepared to recommend that the arrangements suggested at the Conference be adopted. I am accordingly to ask that Their Lordships may be pleased to signify their approval of these arrangements at an early date.

Mr. Churchill understands that the proposals will apply to 1922/23 only and will not prejudice in any way further consideration of the matter in the light of the conditions which may exist a year hence.

A copy of this letter has been sent to the War Office, India Office and Air Ministry.

I am, &c.,
J. E. SHUCKBURGH.

58692

No. 82.

COLONIAL OFFICE to TREASURY.

SIR, Downing Street, 19th December, 1921.

WITH reference to Colonial Office letter of the 3rd August last† enclosing a copy of a telegram addressed to the High Commissioner, Iraq, on the 29th July‡ regarding the adjustment of claims between the civil and military authorities in Mesopotamia, I am directed by Mr. Secretary Churchill to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a telegram§ which has been received from the High Commissioner for Iraq together with a copy of the letter‖ to the War Office from the General Officer Commanding, Baghdad, to which the telegram refers.

2. Their Lordships will observe from the General Officer Commanding's letter that no action appears to have been taken towards settling the claims not actually in dispute. Instead, an endeavour has been made to arrive at a settlement of both disputed and undisputed claims by the abandonment of those existing prior to the 31st March, 1920, and the payment of 80 per cent. or, in some instances, the full amount or 66 per cent. of the sums involved in the claims subsequent to that date.

3. Mr. Churchill understands that if those proposals are agreed to, and the payment at this date of about Rs. 109 lakhs by the War Office should involve the charge of the sterling equivalent of that amount to Subhead C, "Repayment to War Office of Expenditure on Military Services," of the vote for Middle Eastern Services for the current financial year, the effect would be to reduce the amount required to meet the deficit in Iraq on the 31st March last at the expense of increasing correspondingly the charge on Subhead C. In that case the total amount to be charged to the vote for Middle Eastern Services would not be affected, and the question would resolve itself into one of account.

4. On the other hand, Mr. Churchill is of opinion that War Office expenditure on account of services rendered by the Iraq Administration prior to the 31st March last, is not a proper charge against the Middle Eastern Services Vote for 1921-2, and that the payments should be made to the Iraq Government and set off against the amount required for the "deficit." In any case Their Lordships will no doubt

* No. 74. † 36578, L.F.: not printed. ‡ No. 36. § No. 77 ‖ Enclosure 1 in No. 80.

desire that the matter should be considered further when the question of Iraq's financial position on the 31st March last, and her indebtedness to India in respect of money order transactions is discussed at a meeting to be held in the course of the next few weeks with representatives of the War Office, India Office, and Colonial Office.

5. A copy of this letter has been sent to the War Office.

I am, &c.,
J. E. SHUCKBURGH.

58692

No. 83.

COLONIAL OFFICE to WAR OFFICE.

[*Answered by No.* 91.]

SIR, Downing Street, 19th December, 1921.

I AM directed by Mr. Secretary Churchill to acknowledge the receipt of your letter of the 30th November last* enclosing copies of letters from the General Officer Commanding Iraq of the 29th September and 14th October last on the subject of the adjustment of claims between the Civil and Military Authorities in Iraq in respect of the period to the 31st March last.

2. I am to transmit to you, for the information of the Army Council, a copy of a letter† that has been addressed to the Treasury from which the Council will observe that Mr. Churchill is of opinion that the subject should be discussed at the meeting that it is hoped will take place shortly between representatives of the Treasury, War Office, India Office, and Colonial Office to consider the question of Iraq's financial position on the 31st March last.

I am, &c.,
J. E. SHUCKBURGH.

1821

No. 84.

NOTES OF A CONFERENCE IN SIR G. BARSTOW'S ROOM AT THE TREASURY, ON THE 4TH JANUARY, 1922, TO CONSIDER (1) INDIA'S CLAIM IN RESPECT OF FUNDS SUPPLIED TO IRAQ FOR THE PERIOD TO 31ST MARCH, 1921, (2) IRAQ'S DEFICIT AT 31ST MARCH, 1921.

Present:

SIR G. BARSTOW.	Treasury.
MR. HEADLAM.	
MR. SKEVINGTON.	
SIR J. SHUCKBURGH.	Colonial Office.
MR. F. J. HOWARD.	
MR. AYTON.	
MR. WATHERSTON.	War Office.
MR. WHITTLE.	
MR. H. F. HOWARD.	India Office.
MR. KISCH.	
MR. MITRA.	
MR. BARKER.	
MR. CARTER.	

SIR G. Barstow pointed out that notwithstanding the valuable information which Mr. Mitra's investigations in Baghdad had made available the position with regard to the transactions which formed the subject of India's claim was not sufficiently clearly defined to enable the Treasury to accept a final figure as representing the indebtedness to India. The Treasury would, however, be prepared to deal with the claim provisionally on the basis of the information at present available, on the understanding, which the India Office representatives accepted, that India would be willing to give effect to any adjustments which may be found to be necessary when more complete information is available.

* No. 80. † No. 82.

He explained that his chief criticism of the claim as formulated was the rates of exchange at which the funds supplied by India had been converted into sterling. The position as it appeared to him was that the transactions were between India and Iraq and not between India and the Imperial Government: India had advanced x rupees to Iraq—a rupee using country—and *prima facie* India was entitled to receive x rupees from Iraq: the fact that Iraq could not meet the claim without assistance from the Imperial Government would not apparently justify India in regarding the advances as having been made to the Imperial Government. He invited an expression of the views of the India Office representatives on these points.

Mr. Kisch was not prepared to accept the position that the funds were not supplied to the account of the Imperial Government. He pointed out that the administration of Iraq as from March, 1917, was entrusted to the India Office and not to the Government of India. The India Office accepted the responsibility reluctantly. The Secretary of State had in fact acquiesced simply because it was represented that this arrangement was necessary in the interests of His Majesty's Government. The India Office assumed that any funds which it would be necessary to provide for the administration of Iraq would be treated as advances to the Imperial Government and repaid in accordance with the arrangements regulating the settlement of financial transactions with that Government.

Mr. Kisch defended the conversion rates adopted in the claim as being both logical and in conformity with past practice. If Iraq had been financed by the Imperial Government without the intervention of the India Office it would have been necessary for that Government to provide funds to the full amount of the claim. He emphasized the importance of adopting a definite rule for settling claims between the two Governments: it would obviously be a very unsatisfactory position if it were possible for either Government to reap an advantage at the expense of the other by delaying payment for a more favourable exchange rate.

He pointed out that the original arrangement with the War Office was that indebtedness to India should be settled on the basis of the rate of exchange current when the indebtedness arose, that this had benefited the War Office considerably when the rupee exchange was rising, and that when the rupee exchange began to fall the War Office asked for, and India agreed, to accept (as from 1st April, 1920,) a fresh arrangement under which the rate of conversion was to be the rate ruling when the charge was brought to account. The War Office further had enjoyed a very substantial concession in being allowed to settle the War Stores Suspense Account on the uniform basis of a rupee = 1/6.

What the India Office asked for was that no advantage should be taken of the unavoidable delay in presenting the claim. The delay had arisen partly from the fact that there was a good deal of correspondence between the Postal Departments before the matter was brought before the Indian Authorities competent to make the claim, and partly because India's staff of accountants had been very much depleted.

Mr. Kisch pointed out that a substantial portion of the claim represented sterling payment which the India Office made to the General Post Office, London, in respect of sterling money orders purchased in Iraq and cashed in the United Kingdom. These money orders were sold by Iraq at an official rate of exchange and the sterling sum paid to the General Post Office represented the equivalent of the rupees received by Iraq at the official rate of exchange.

It was suggested to Mr. Kisch at this stage that transactions of this nature were not different in principle from those in which India had advanced rupees direct to Iraq, that the General Post Office claim was against Iraq, that Iraq had to sell rupees to pay sterling and that if India Office settled direct with the General Post Office, India Office was really providing Iraq with the number of rupees necessary to enable her to make the payment.

He replied that India Office did in fact use their sterling funds to meet the Post Office claims.

The India Office representatives were asked whether India would in fact suffer financially if the rupee advances were regarded as repayable by an equivalent number of rupees at the present time with the exchange value at about 1/4.

Mr. H. F. Howard replied that undoubtedly she would and that in point of fact she would suffer if her claim were not met in full. He explained that rupees had to be supplied to Iraq when they were extremely scarce. India had to increase her coinage considerably, and to make good the full number of rupees supplied to

Iraq. The necessary silver was purchased at high prices (chiefly in America) from sterling funds. Owing to the high silver prices the rupee ceased to be a token coin: the rupees coined in effect cost India the sterling equivalent at the rate of exchange at the time.

Sir G. Barstow suggested that there was a considerable note issue in Iraq, and presumed that India would profit on this. Mr. Howard said this was not so, as silver rupees had to be provided in sufficient quantity to make the notes convertible on demand.

He thought it was a relevant point that India had expended something like 7 to 8 millions sterling in the effort to keep the rupee exchange down and that War Office during the period of rising exchange had reaped some benefit from this.

It was explained by Mr. Mitra that the £8,100,000 which War Office had paid related to telegraphic transfers and that these claims were brought to account in the month in which the transfers were actually made, so that the War Office had, in fact, paid on the basis of the rate of exchange ruling at the time the funds were provided.

Sir J. Shuckburgh and Mr. Watherston expressed the view that it would be a fair settlement to repay in sterling what was advanced in sterling and in rupees what was advanced in rupees.

Sir G. Barstow admitted that he had been impressed with the force of the arguments adduced by the India Office representatives, but he did not feel able to express a definite opinion without further consideration. At his request India Office will supply calculations showing the sum due on each of the following bases:—

(*a*) All advances repayable in sterling.
(*b*) Sterling advances repayable in sterling—rupee advances in rupees.
(*c*) All advances treated as rupee advances repayable in rupees.

India Office estimate that basis (*b*) would involve a reduction of the claim by about £1,295,000.

Sir G. Barstow promised to consider, in consultation with the Finance Department, whether it would be possible for War Office to advance another £1,000,000 on account. Mr. Watherston explained that another £1,000,000 could be advanced without incurring any charge on Votes, but that the payment already made would cover the War Office liability if the debts were held to be rupee debts.

The India Office representatives then left and the question of the Iraq deficit at 31st March, 1921, was discussed.

The financial position on present information is as follows. India claims altogether £8,240,000, made up—

War Office				£3,920,000
Iraq.				
1918/9.				
Remittances to British Treasury				
27th January, 1917, £150,000 at R. = 1/4	=	22.5 lakhs		
23rd February, 1918, £350,000 at R. = 1/4	=	52.5 ,,		
15th February, 1919, £100,000 at R. = 1/6	=	13.0 ,,		
		88		
Drawn by India		24		
		64	=	£480,000*
1919/20 24 lakhs			=	£230,000
1920/21 302 lakhs = £2,820,000				
85 lakhs = £790,000				
387			=	£3,610,000
				£4,320,000
				£8,240,000

* See Note at end of Report.

Iraq received from India 387 lakhs net, thus—

	1920/1	387
	1919/20	24
		401
less	1918/9	24
		387

If she pays this to India, her accounts will show a deficit at 31st March, 1921, of 139 lakhs, thus—

Cash in hand	134 lakhs.	
Due from War Office	92 „	
Due for advances to Suleimaniyeh	22 „	
	248	
Owing to India	387	
		139 lakhs
387 lakhs at the current rate of exchange	=	£2,580,000
But India claims from Iraq £4,320,000, of which £600,000 is held by the British Treasury, leaving to be found by Iraq		£3,720,000
If, therefore, Iraq settles India's debt at the amount claimed she will need from the Exchequer :—		
Deficit at 31st March, 1921 = 139 lakhs (at R. 1/4)	=	926,666
Exchange loss (£3,720,000 — £2,580,000)	=	1,140,000
		£2,066,666

To this figure, however, there have to be added—

(*a*) 92 lakhs due from the War Office (if this is not to be paid)	£613,333
(*b*) 22 lakhs advanced to Suleimaniyeh (if this is not recoverable)	£146,666
(*c*) Working balance—60 lakhs asked for	£400,000
(*d*) Sum held by British Treasury (if this is held to be retainable for the service of the Ottoman debt) ...	£600,000
(*e*) Difference of 13 lakhs between cash balance at 31st March, 1921, which Iraq ought to have had, and the cash balance she is said actually to have had	£86,666

Sir J. Shuckburgh thought it highly probable that sufficient savings would not be available on the Middle East Vote to meet this liability. He thought it would be preferable from the Parliamentary point of view that the charge should appear in two items, viz. :—

(*a*) The sterling equivalent at the current rate of exchange of the rupee deficit at 31st March, 1921.

(*b*) Loss on exchange over the period of India Office administration of Iraq.

In this event it would be necessary to append a note to the effect that the exchange loss was in respect of funds supplied by India Office.

The position with regard to the items (*a*), (*b*), (*c*) and (*d*)—possible addition to the Iraq deficit was then discussed.

Item (a).—War Office debt to Iraq, 92 lakhs.

Mr. Watherston explained that this figure was a compromise of Iraq claims and War Office counter claims for 1920/1, and that it was accepted by the Iraq Military Authorities and Sir P. Cox, on the understanding that Iraq's net claim on the War Office of 78 lakhs for the period prior to 31st March, 1921, would be abandoned. He stated, however, that the Secretary of State was not at present disposed to admit the claim unless the Colonial Office would allow the amount to be charged to Subhead C. of the Middle East Vote, since it related to the period prior to 31st March, 1921, in respect of which all cross claims between the Military and Civil Authorities were to be cancelled, and no specific provision for the liability had been made in the War Office Estimates. It was probable that the round figure Supplementary Estimate which War Office were taking (for Ireland and Shipping claims) would prove sufficient to cover item,

Sir G. Barstow pointed out that if the War Office recovered from the Colonial Office the savings on the Middle East Vote available to meet the Iraq deficit would be *pro tanto* reduced, and expressed the view that it would be desirable, on Parliamentary grounds to keep the Supplementary Estimate for meeting Iraq's deficit as small as possible. Mr. Watherston undertook to represent this view to his Department.

Item (b).—Advances to Suleimaniyeh, 22 lakhs.

Sir J. Shuckburgh explained that Suleimaniyeh was a part of Kurdestan administered by the High Commission, and not under the control of the Arab Government. The 22 lakhs had been advanced by the Iraq Government. He did not know whether the whole of this amount was advanced solely to meet administrative deficits, but he agreed that what was not required should be repaid. He would ask Sir P. Cox to explain the position fully.

Item (c).—Working balance.

Mr. Howard explained that Major Young had mentioned a figure of 60 lakhs (which represented roughly one month's expenditure) as a reasonable working cash balance. Sir G. Barstow was not prepared to agree that a working balance should be provided from Imperial funds unless it could be shown clearly that Iraq could not borrow elsewhere what was necessary. If outside borrowing was impracticable Iraq would have to justify whatever amount she considered to be necessary and supply a Balance Sheet at 31st March, 1921.

The point was made that the Iraq deficit at 31st March, 1921, was in part accounted for by payments for stores which were in hand at that date. Sir G. Barstow expressed the view that as such stores were an asset which would ordinarily be included in a Government's Balance Sheet, so much of the Exchequer payment to meet the deficit as was represented by the purchase of the stores should be regarded as a loan to Iraq. He did not think Iraq could be asked to accept as a debt charge so much of the deficit as was due to capital expenditure prior to 31st March, 1921, on public works, which would not ordinarily be shown as assets in a Government's Balance Sheet.

The further point was made that when full accounts of Iraq's financial transactions up to 31st March, 1921, are available, it might be found that certain payments which had been charged as administrative expenditure are in fact recoverable by Iraq after that date, e.g., loans and payments in advance. It appeared from the 1921-22 Estimates that certain agricultural loans were made.

The Colonial Office representatives agreed that Iraq could properly be asked to account to the Exchequer for any such recoverable payments which had swelled the deficit.

Sir J. Shuckburgh thought it would devolve upon the High Commission to supply the detailed accounts of Iraq's receipts and expenditure up to 31st March, 1921, and the more detailed Ways and Means statements which would be necessary before the indebtedness to India could be finally agreed.

Item (d).—Sum of £600,000 held by the British Treasury.

Mr. Howard explained that no provision had been made by Iraq for meeting her share (estimated at £350,000 per annum) of the Ottoman Debt Charge and that revenues hypothecated for the service of that debt had been used for general purposes.

Sir G. Barstow took the view that this contingent liability should be disregarded.

Note on India's claim against Iraq.

The real position possibly is that—

(*a*) The British Treasury owes India £600,000.
(*b*) India owes Iraq 24 lakhs at 1/6 = £180,000.
(*c*) Difference due to India £420,000.

In this case, however, India could doubtless reasonably claim interest on the £600,000 which at 3% would amount to about £72,000. This is £12,000 more than the difference between £480,000 and £420,000, and it does not therefore seem worth while pressing the point.

2090

No. 85.

TREASURY to COLONIAL OFFICE.

(Received 13th January, 1922.)

Treasury Chambers, 12th January, 1922.

SIR,

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Sir J. E. Shuckburgh's letter of the 17th ultimo,* relative to the Inter-departmental Conference held at the Treasury on the 22nd November last† on the subject of the provision to be made in the Estimates for 1922-23 for the Defence Forces in Iraq and the accounting arrangements between your Department and other Departments concerned arising out of the Cabinet decision of the 18th August last to transfer to the Air Force the responsibility for the defence of Iraq as from 1st October, 1922.

In reply I am to request you to inform Mr. Secretary Churchill that My Lords approve the arrangements recommended by the Conference as detailed below, on the understanding that for the present they will apply to 1922-23 only, and will be subject to further review:—

(1) Provision will be made in Army Estimates for the British Infantry Battalions and for Indian troops.

(2) One sub-head only will be inserted in the Estimate for Middle Eastern services in respect of repayment of Iraq defence forces expenditure, details being given in Part III. of the Estimate.

(3) Without prejudice to such direct discussion of next year's Estimates between the War Office and the Colonial Office as may prove necessary, the Air Ministry will in respect of expenditure on the British Forces act as agents for the Colonial Office and deal with the War Office on their account. Under this arrangement the Air Ministry will receive from the War Office the figures for the provision to be made for British troops in the Middle East Estimate, will incorporate them with the Air Ministry figures and will send the whole to the Colonial Office. The Air Ministry will also recover from the Colonial Office the repayments from the Middle East Vote, crediting the Army share to a Suspense Account, and will repay the War Office out of this Suspense Account.

(4.) The question whether works and other departmental services shall be taken over by the Air Ministry is reserved for further consideration.

I am, &c.,
G. L. BARSTOW.

1821

No. 86.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 3.10 p.m., 13th January, 1922.)

TELEGRAM.

[*Answered by No.* 92.]

No. 19. Your telegram 18th November, No. 688.‡ After discussion financial position at 31st March last with Treasury, following further information required before supplementary estimate for civil deficit can be prepared:—

(*a*) Can Iraq borrow from elsewhere amount required as working balance. If not, what is the reason?

(*b*) Assuming that to borrow elsewhere is impracticable, what do you consider minimum working balance and how do you explain and justify that minimum?

(*c*) Full explanation required of 22 lakhs Suleimaniyeh advances and why recovery cannot be effected from that Administration instead of from His Majesty's Government.

(*d*) What is explanation of discrepancy of 13 lakhs in cash balance on 31st March last, see my telegram 28th November, No. 543?§

Please answer above questions by telegraph in next few days and follow up at earliest opportunity by despatch amplifying telegram and supplementing by fuller

* No. 81. † No. 74. ‡ No. 75. § No. 78.

explanations figures and conclusions in your telegram No. 688.* Despatch should also enclose copies of all detailed Receipts and Expenditure Accounts and Ways and Means Statements down to 31st March, 1921, and statement of Assets and Liabilities at same date. Also particulars of all Suspense Accounts open on that date with explanation of nature of each account and statement of present position indicating any debit balance not likely to become a final charge as expenditure.—SECRETARY OF STATE FOR THE COLONIES.

3088

No. 87.

INDIA OFFICE to COLONIAL OFFICE.

(Received 20th January, 1922.)

India Office, Whitehall, London, S.W.1, 19th January, 1922.

SIR,

IN continuation of this Office letter of the 30th December, 1921,† I am directed to transmit to you the enclosed copy of a telegram received from the Government of India regarding the settlement of Money Order transactions between India and Iraq for April and May, 1921. I am to request that payment may be made to this Office as early as possible of the sum of £142,369 9s. 9d. mentioned therein, a receivable order for which is enclosed.

I have, &c.,
R. H. A. CARTER,
for Financial Secretary.

Enclosure in No. 87.

VICEROY, FINANCE DEPARTMENT, DELHI, to SECRETARY OF STATE FOR INDIA.

(Received 10 a.m., 15th January, 1922.)

TELEGRAM.

12TH JANUARY. Please refer to my telegram dated 17th November, 1921, No. 3140 F. Mesopotamian Money Orders. We have now received intimation from High Commissioner of acceptance by Iraq Government our claim for April and May 1921, amounting to £45,079 3s. 4d. and £97,290 6s. 5d. respectively, subject to adjustment of small difference aggregating Rs. 15,000. We understand High Commissioner has asked Colonial Office to, on demand, pay you £142,369 9s. 9d.

3388

No. 88.

INDIA OFFICE to COLONIAL OFFICE.

(Received 23rd January, 1922.)

Vide Colonial Office, dated 2nd November, 1921.‡

India Office, Whitehall, London, S.W.1, 21st January, 1922.

SIR,

WITH reference to previous correspondence and recent inter-departmental conferences on the subject of the claims of the Indian Government against the authorities in Iraq and the War Office, in respect of Money Order transactions up to the end of 1920-1, I am directed by the Secretary of State for India to forward herewith a statement setting forth the total amount of these claims in the light of the investigations recently undertaken at Baghdad, together with a statement showing how these claims are divisible between the Colonial Office and War Office.

A question, affecting about three quarters of a million pounds sterling of the claim, is under discussion between this Office and the Treasury, to whom the enclosed note on the matter has been forwarded. This matter will presumably be settled at an early date. Meanwhile, in accordance with Treasury letter of the 24th November, 1921§ (copy enclosed), which contemplates settlement of these claims within the current financial year; I am to ask that such authority as may be necessary for

* No. 75. † 64345: not printed. ‡ Not printed. § Enclosure in No. 76.

this purpose may be obtained by your department. It would, of course, be understood that any payments made by your department on account would be subject to revision, if necessary, with reference to the decision that may ultimately be arrived at on the exchange question now under discussion with the Treasury.

I have, &c.,

C. H. KISCH,
Financial Secretary.

Enclosure 1 in No. 88.

SUMMARY OF INDIA'S CLAIM AGAINST HIS MAJESTY'S GOVERNMENT IN RESPECT OF IRAQ TRANSACTIONS (TO END OF 1920-21).

		Lakhs of rupees.		£ sterling.
(1)	To the end of 1918-19.	64.	Equivalent at 1/6 the Re., rate prevailing at end of 1918-19, to	480,000
(2)	1919-20.	24.	Equivalent at 1/11, average rate for whole year, to (N.B.—Transactions include 322 lakhs Money Orders of which an unspecified amount was in respect of Money Orders payable in United Kingdom for which G.P.O. were paid by India Office in sterling).	230,000
(3)	1920-21.	862.	T.T.'s and bills *already recovered* from War Office through War Accounts at appropriate monthly rates of exchange averaging 1s. 10·6d. (¶)	8,100,000
		605.	Money Orders at appropriate monthly rates averaging 1s. 10·6d. (£3,260,000 United Kingdom sterling Money Orders, £2,450,000 Indian Rupee Money Orders).	5,710,000
		77.	Funds advanced to Iraq during April, 1920, by Indian Military Disbursing Officers equivalent at 2s. 8d. (rate for that month).	1,030,000
		Lakhs of rupees.		£ sterling.
		85.	Miscellaneous transactions being adjusted locally between Iraq and India. Equivalent at 1s. 10·3d. (¶)	790,000
TOTAL		770	lakhs. (Total for adjustment in United Kingdom)	£7,450,000
Deduct			Provisionally advanced by War Office in November, 1921 (£1,875,000) and January, 1922 (£2,000,000).	£3,875,000
			Net amount now due	£3,575,000

The following is the position as regards division of liability between War Office and Colonial Office.

	Lakhs of rupees.		£
	1242	Received from Iraq by War Office Command Paymaster during 1920-21, equivalent at appropriate monthly rates (averaging 1s. 11·2d.) to	12,020,000
Deduct	862	Refunded by War Office to India through War Accounts—see items (¶) above.	8,100,000

	Owing by War Office	3,920,000
Deduct	Advanced to India Office (as above)	3,875,000
	Balance due by War Office	45,000
	Balance due by Colonial Office ...	3,530,000
	Total due (as above)	£3,575,000

Enclosure 2 in No. 88.

IRAQ MONEY ORDER CLAIM.

(Note on the rate of exchange).

IT is understood, as a result of the discussion held at the Treasury on the 14th January, that the claims of the Indian Government in respect of funds supplied to Iraq through Money Order remittance are admitted in principle, and that there is no disposition to challenge the figures in the claims submitted by the India Office, except that the Treasury desire to be convinced that India will be subjected to a real loss if that portion of the claim which relates to Money Orders exchanged between Iraq and India were settled by rupee payment in lieu of sterling, calculated with reference to the exchange prevailing at the time of the transactions.

The Indian Government is in the position of an institution which raises funds in rupees in India and sterling in England to meet commitments in both countries. The Indian Government endeavour to regulate the distribution of the funds they acquire in both countries in such a way that the balances held in India and England respectively should be sufficient and no more than sufficient for the anticipated requirements of the time. As the funds raised by the Indian Government in London are insufficient in themselves to meet the requirements of the Secretary of State, it is necessary for the Government of India to remit funds from India to London so that the Home Treasury of the Government of India may be kept adequately supplied with resources. The habitual method by which these funds are remitted is by the sale of drafts by the Secretary of State to the Exchange Banks. Recently, however, the sales of drafts have been in abeyance, but a considerable amount of the Secretary of State's resources has been supplied by what is in effect the same machinery, that is, by the supply of rupee funds to the War Office and to the authorities in Iraq against repayment in sterling at the rate of exchange prevailing at the time when the rupee funds are provided.

If the Indian Government is not to be subjected to loss through these quasi-banking operations, it is essential that payment should be made on the basis of the exchange prevailing at the time and that the transactions relating to a particular year or period should be regarded as a whole. In this connexion it is relevant that during the period in question the Government of India, while selling rupees to the authorities in Iraq, were at the same time buying rupees from the Indian public against sterling disbursements by the Secretary of State. During 1920-21 a total of Rs. 26,90,00,000 was bought in this manner at an average rate of 2s. $1\frac{7}{8}$d. per rupee. To obviate loss on the transactions as a whole they would clearly have had to charge for the rupees sold at a rate not below that at which they were buying. The calculated average rate of 1s. 10·6d., on which is based the sterling claim for 1920-21, already therefore involves the Indian Exchequer in a considerable loss. on the transactions viewed as a whole; and this loss would be greatly increased if the lower rate of 1s. 4d. were applied to the present claim.

Thus, if the portion of the claim now at issue were met in rupees, the Home Treasury of the Government of India would be out of pocket to the extent of £2,450,000, while the Indian Government would be in possession of an extra number of rupees, which, if remitted home at 1s. 4d., would represent only £1,735,000. In order, therefore, to place the Home Treasury in the same position as it would have been had the claim been met on the basis of the exchange prevailing at the time of the transactions, it would be necessary for the Government of India to effect a further remittance of £715,000, which on the 1s. 4d. basis, would involve the disbursement of Rs. 1,07,25,000, over and above the actual amount received from the Treasury.* It is thus evident that if the claim were not met in the manner proposed by the India Office, a real loss would be inflicted on the Indian exchequer, seeing that the claims on that exchequer are not limited to rupee claims, but also comprise large sterling commitments.

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* The same result would of course occur if the claim were met in sterling only at to-day's rate of exchange.

It will have been understood from the memorandum previously submitted that rupee funds supplied to Iraq and other extra-Indian rupee using countries have never been and are not supplied by way of advances to be recovered in rupees subsequently. The Indian Government does not maintain balances which would admit of its being dispossessed of large resources for considerable periods. The long-standing arrangements under which rupee funds are supplied to the countries in question against repayment in sterling pivot on the prompt reimbursement in sterling of the equivalent at the time of the rupee funds supplied, and it is only on this basis that India has been able in the past to furnish the facilities asked for, without incurring the risk of unnecessary exchange losses.

3635

No. 89.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 24th January, 1922.)

[*Answered by Nos.* 98 *and* 108.]

(No. 158.)

The Residency, Baghdad, 8th December, 1921.

SIR,

I HAVE the honour to enclose for your information copies of marginally noted correspondence and to request you to be good enough to pay to the Secretary of State for India, on demand, the sums of £45,079 3s. 4d. and £97,290 6s. 5¼d. in respect of Money Order transactions between Iraq and India for April and May, 1921, respectively.

Government of India (Finance Department), letter No. 2845/F. of 7th October, 1921.
Letter No. I.O./39 of 8th December, 1921 to Government of India (Finance Department.)

I have, &c.,
P. Z. COX,
High Commissioner for Iraq.

Enclosure 1 in No. 89.

From

Rai A. C. Mukherji, Bahadur, B.Sc.,
Assistant Secretary to the Government of India.

To

His Majesty's High Commissioner, Baghdad.

(No. 2845-F.)

Government of India, Finance Department, Simla, 7th October, 1921.

SIR,

IN continuation of my letter No. 2232-F., dated the 2nd August, 1921, I am directed to forward statements* showing the net liability of the Iraq Administration on account of Money Order transactions between Iraq and India for April and May, 1921. The acceptance of these figures may kindly be intimated to the Government of India at an early date.

I have, &c.,
A. C. MUKHERJI,
Assistant Secretary to the Government of India.

Enclosure 2 in No. 89.

(No. I.O./39.)

Secretariat of His Excellency the High Commissioner for Iraq,
Baghdad, the 8th December, 1921.

SIR,

WITH reference to your letter No. 2845-F., dated the 7th October, 1921, I am directed to inform you that the figures shown in the statements forwarded with your letter under "Credits due to Iraq" are in agreement with the corresponding figures booked in the Iraq accounts, based on "Advices of Transfer" from Postal Audit Offices in India.

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* Not printed.

2. In the case of "Credits due to India," however, the figures booked in the Iraq accounts, which are similarly based on "Advices of Transfer" received from Postal Audit Offices in India, exceed those now intimated by you, as set out below :—

(*a*) "Amount to the credit of India on account of Money Orders issued in Iraq during April, 1921, and paid in India during the same month."
As reported by the Government of India, Rs.7,08,000
As booked in the Iraq Postal Accounts, Rs.7,18,317-14-9

(*b*) "Amount to the credit of India on account of Money Orders issued in Iraq during April and May, 1921, and paid in India during May, 1921" :
As reported by the Government of India, Rs. 15,14,654-9-2
As booked in the Iraq Postal Accounts, Rs. 15,19,485-15-5

3. In order that the discrepancies may be reconciled, I enclose two statements in duplicate showing in detail how the figures booked in the Iraq accounts have been arrived at.

4. In the meantime, I am to inform you that the Government of Iraq accept liability for the two amounts claimed, viz :—

April, 1921, Money Order transactions, £45,079 3 4
May, 1921, Money Order transactions, £97,290 6 5¼

and the Secretary of State for the Colonies has been requested to pay these amounts, on demand, to the Secretary of State for India.

I have, &c.,
C. C. GARBETT,
Secretary to His Excellency the High Commissioner for Iraq.

The Secretary to the Government of India,
in the Finance Department, Delhi.

MONEY ORDERS ISSUED IN APRIL, 1921, AND PAID IN APRIL, 1921.

No. and date of A.Ts.			Name of the Audit Office		Amount.		
1	accounts of	17th May, 1921	...	Nagpur ...	Rs.38,371	7	3
2	,,	17th May, 1921	...	,, ...	32,673	7	0
3	,,	17th May, 1921	...	,, ...	1,180	0	0
14	,,	9th July, 1921	...	,, ...	1,370	0	0
15	,,	9th July, 1921	...	,, ...	1,660	0	0
11	,,	7th July, 1921	...	,, ...	646	0	0
5	,,	29th June, 1921	...	,, ...	370,352	4	2
6	,,	29th June, 1921	...	,, ...	271,449	13	5
4	,,	22nd June, 1921	...	,, ...	100	10	0
17	,,	21st July, 1921	...	,, ...	296	3	11
18	,,	21st July, 1921	...	,, ...	110	0	0
20	,,	21st July, 1921	...	,, ...	47	14	0
29	,,	4th August, 1921	...	,, ...	5	0	0
39	,,	9th August, 1921	...	,, ...	35	0	0
45	,,	10th August, 1921	...	,, ...	0	3	0
145	,,	28th July, 1921	...	Madras ...	20	0	0
				Adjusted up to July, 1921 ...	Rs.718,317	14	9
103	,,	3rd September, 1921	...	Nagpur ...	200	0	0
				To be adjusted in August and September, 1921.			
				Total ...	Rs.718,517	14	9

MONEY ORDERS ISSUED IN APRIL AND PAID IN MAY, 1921.

No. and date of A.Ts.			Name of Audit Office.		Amount.		
7	accounts of	7th July, 1921	... Nagpur	...	Rs.305,074	13	7
8	,,	7th July, 1921	... ,,	...	23,362	12	0
9	,,	7th July, 1921	... ,,	...	300,213	14	1
13	,,	9th July, 1921	... ,,	...	434,720	7	9
44	,,	10th August, 1921	... ,,	...	2	4	0
22	,,	21st July, 1921	... ,,	...	255	0	0
26	,,	27th July, 1921	... ,,	...	198	4	0
27	,,	27th July, 1921	... ,,	...	440	0	0
30	,,	4th August, 1921	... ,,	...	781	3	0
32	,,	6th August, 1921	... ,,	...	0	10	0
35	,,	6th August, 1921	... ,,	...	5,641	6	0
40	,,	9th August, 1921	... ,,	...	10	0	0
46	,,	12th August, 1921	... ,,	...	0	6	0
			Adjusted up to July, 1921	...	Rs.1070,701	0	5
58	,,	30th August, 1921	... Nagpur	...	367	6	0
66	,,	6th September, 1921	... ,,	...	55	0	0
63	,,	31st August, 1921	... ,,	...	12,837	9	0
102	,,	30th September, 1921	... ,,	...	500	0	0
113	,,	5th October, 1921	... ,,	...	20	0	0
			To be adjusted in August and September, 1921		Rs.13,779	15	0

MONEY ORDERS ISSUED IN MAY, 1921, AND PAID IN MAY, 1921.

10	accounts of	7th July, 1921	... Nagpur	...	Rs.48,661	9	0
21	,,	21st July, 1921	... ,,	...	351,439	10	0
36	,,	6th August, 1921	... ,,	...	12,714	2	0
31	,,	4th August, 1921	... ,,	...	435	0	0
30	,,	4th August, 1921	... ,,	...	40	0	0
38	,,	9th August, 1921	... ,,	...	40	0	0
			Adjusted up to July, 1921		Rs.413,330	5	0
55	,,	22nd August, 1921	... Nagpur	...	178	3	0
56	,,	22nd August, 1921	... ,,	...	255	0	0
58	,,	30th August, 1921	... ,,	...	90	0	0
60	,,	30th August, 1921	... ,,	...	566	8	0
62	,,	31st August, 1921	... ,,	...	20,585	0	0
			To be adjusted in August and September, 1921		Rs.21,674	11	0
			Grand total of Money Orders issued in April and May and paid in India during May		Rs.1519,485	15	5

4723

No. 90.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 5.20 a.m., 30th January, 1922.)

TELEGRAM.

24TH JANUARY. No. 54. Wireless No. 20. Your telegram 28th November, No. 543.* The opening balance on cash in Civil Treasuries on 1st April, 1919, amounted to 95 lakhs. Mitra's figure (?) 1 crore 8 lakhs is presumed to be closing balance as shown in the accounts as prepared by the C.W.A. in India. The difference probably arises from the (? his) having embodied in his accounts (?) all the accounts of (?) Municipalities W.A.Q.F. Departments controlled hostile trading concerns and other semi-independent Institutions which have all along been treated excluded local funds.—Cox.

* No. 78.

5126

No. 91.

WAR OFFICE to COLONIAL OFFICE.

(Received 1st February, 1922.)

[*Answered by No.* 94.]

SIR, War Office, London, S.W., 1st February, 1922.

WITH reference to your letter of the 19th December* on the subject of the adjustment of outstanding claims between the Civil and Military authorities in Iraq, in respect of the period ended 31st March last, I am commanded by the Army Council to inform you that they are prepared on the conditions stated below to accept the settlement (payment of £860,000 out of Army Funds) proposed in the letters from the General Officer Commanding in Chief, Iraq, dated 28th September and 14th October last, No. Q.5613, which were forwarded to you on 30th November.†

The conditions on which the settlement is accepted are as follows:—

(1) The settlement shall be entirely without prejudice to any question of the rates payable by (or to) this Department after 31st March, 1921, in respect of services of the kind included in the settlement, e.g., railway rates and port dues.

(2) The amount due from civil funds in respect of expenditure out of Army Funds on the building in Iraq of a Residency for the High Commissioner shall be adjusted separately, outside the general settlement.

On receipt of notification of the concurrence of your Department in these two conditions the Council will authorize the local military authorities to proceed with the adjustment on the above lines.

A copy of this letter is being sent to the Treasury.

I am, &c.,
B. B. CUBITT.

6215

No. 92.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 1.5 p.m., 7th February, 1922.)

TELEGRAM.

3RD FEBRUARY. No. 90. Following are answers to the question in your telegram 13th January, No. 19.‡

(A) No; because the local Government credit is not strong enough to raise so large a sum for general purposes.

(B) The expression "minimum working balance" is taken to mean least amount which must be available in Treasuries (?) towards the end of each month to finance heavy expenditure in the early part of succeeding months. Amount in question will vary according as whether Iraq Government is required to supply funds either for local purposes only or for local purposes plus requirements of levies in outstations where there are no banking facilities, or, as at present, for local purposes, plus military and all other Imperial expenditure in Iraq, including railways. Amounts required under above hypothesis are respectively 50 lakhs, 55 lakhs and 85 lakhs. To each should be added the sum of approximately 20 lakhs as reserve, to ensure supply of useable currency, an expedient which is necessary owing to necessity for withdrawing soiled notes from time to time and to fact that notes are frequently preferred to silver rupees. Thus an amount of alternatively (?) 70 lakhs, 75 lakhs or 1 crore 5 lakhs, must be in Treasury towards close of each month. Approximate revenue of Iraq for one year may be taken to be 6 crore, which admits of no surplus over expenditure. Taking first hypothesis and assuming uniform monthly incomings permanent balance of 70 lakhs is thus required. But revenue does not come in uniformly whereas outgoings are comparatively uniform throughout the whole year. On date available it appears at end of the first half of financial year revenue receipts are in deficit to extent of about 40 lakhs. The balance required at beginning of the year on above calculation is therefore 70 lakhs plus 40 lakhs or total of 1 crore, 10 lakhs.(?) On the second and third hypotheses higher closing balances at end of

* No. 83. † No. 80. ‡ No. 86.

the month are essential in order to ensure funds being available to finance levies and command paymaster's requirements. Sale of transfers are not sufficiently certain to risk offering these only when the funds are actually required.

(C) (?) of Suleimaniyah titular finance and accounts purposes is separate entity from Iraq. Up to 31st March, 1921, revenue collected by the Esemi [semi] Military administration of that area was less than expenditure incurred by some 22 lakhs. Funds to meet deficit were provided from Baghdad and shown in Iraq accounts as advances or remittances. This deficit stands precisely on the same footing as main Iraq deficit. Recovery cannot be effected owing to insufficiency of Kurdistan revenue.

As regards (D) please see my telegram, 24th January, No. 54.*—Cox.

6613

No. 93.

INDIA OFFICE to COLONIAL OFFICE.

(Received 11th February, 1922.)

[*Answered by No.* 101.]

SIR, India Office, Whitehall, London, S.W.1, 10th February, 1922.

I AM directed by the Secretary of State for India to refer to my letter of the 19th January,† regarding the settlement of Money Order transactions between India and Iraq for April and May, 1921. The amount of £142,369 9s. 9d. due to this Office in respect of these two months has not yet been received. It will have been observed from the telegram, copy of which was enclosed, that the Government of India, on the 12th January, understood that the High Commissioner had asked the Colonial Office to pay this sum to this Office on demand. If payment is being delayed owing to the non-receipt of such advice from the High Commissioner, I am to suggest that he may be asked by telegram to expedite it.

I have, &c.,
R. H. A. CARTER,
For Financial Secretary.

5126

No. 94.

COLONIAL OFFICE to WAR OFFICE.

SIR, Downing Street, 25th February, 1922.

I AM directed by Mr. Secretary Churchill to acknowledge the receipt of your letter of the 1st February,‡ on the subject of the adjustment of outstanding claims between the Civil and Military authorities in Iraq in respect of the period ended the 31st March, 1921, and to inform you that he concurs in the settlement of these claims by a payment of £860,000 out of Army funds subject to the two conditions specified in the second paragraph of your letter.

2. I am to ask, however, that payment of the £860,000 from Army funds may be made to this office at the earliest possible moment instead of through the local military authorities, as proposed in paragraph 3 of your letter.

3. The amount is required in connexion with the settlement in London of the Government of India's claim against Iraq for money order payments to the 31st March last, and I am accordingly to request that the amount may be transferred from Army funds to the Paymaster-General for the credit of the vote for Middle Eastern Services. A receivable order for that purpose is being transmitted direct to the Paymaster-General.

I am, &c.,
ALEX. FIDDIAN.

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* No. 90. † No. 87. ‡ No. 91.

9813

No. 95.

TREASURY to COLONIAL OFFICE.

(Received 1st March, 1922.)

SIR, Treasury Chambers, 28th February, 1922.

I AM directed by the Lords Commissioners of His Majesty's Treasury to transmit herewith, for the information of the Secretary of State for the Colonies, a copy of a letter of even date which they have caused to be addressed to the India Office on the subject of the claim of the Government of India in respect of funds supplied to the Civil Administration of Iraq in the period to 31st March, 1921.

2. It is understood from semi-official discussions that the sterling sum of £3,490,000 due from His Majesty's Government will be paid in the following manner:—

(*a*) The Government of Iraq will be responsible for remitting the sum of 302 lakhs, in addition to the 85 lakhs referred to in the 5th paragraph of the letter to the India Office.

(*b*) The difference between the full claim of £3,490,000 and the sterling equivalent of the 302 lakhs referred to in (*a*) will be paid by your Department.

3. The payment of 302 lakhs by the Government of Iraq will leave that Government with a cash deficit at 31st of March, 1921, provisionally estimated at 174 lakhs. Provision for meeting that deficit from Imperial funds has been made in the Supplementary Estimate for Middle Eastern services recently presented to Parliament, and it is presumed that, when the vote is available, the sterling equivalent of the 174 lakhs at the rate of exchange proper to the time of payment will be paid by your Department to the India Office on account of Iraq's debt of 302 lakhs.

4. My Lords understand that the War Office are now prepared to pay to the Government of Iraq the sum of 92 lakhs in respect of services rendered to the military authorities to 31st March, 1921. Presumably the sterling equivalent of this sum will be paid over to the India Office, through your Department, on account of Iraq's debt of 302 lakhs.

5. It will then be necessary for the Iraq Government to remit from its own funds the balance of 36 lakhs (i.e., 302-174-92) in addition to the 85 lakhs in course of settlement locally. The method of making this remittance will no doubt be settled by your Department in consultation with the India Office.

6. The sterling equivalent of this remittance, together with the sterling sums referred to in paragraphs (3) and (4) above, when deducted from the full amount of the claim on His Majesty's Government (£3,490,000) will give the sterling sum payable under paragraph 2 (*b*) above.

7. Towards this the following funds will be available:—

(*a*) A sum of approximately £711,000 on deposit at the Treasury which can be transferred to your Department on request, provided that three days' notice is given.

(*b*) The provision of £891,500 which has been made for "Exchange Loss" in the Supplementary Estimate referred to above for Middle Eastern Services—when the vote is available.

8. I am to enclose a copy of the Calculations of the amounts provided in the Supplementary Estimate in respect of (*a*) Iraq deficit at 31st March, 1921, and (*b*) Exchange Loss. It will be seen that, as a precaution, for Estimate purposes, the rupee has been taken at the value of 1s. 3d. If the actual rate of exchange proves to be different from that figure the expenditure under the two subheads in question may be somewhat different from the amount provided, and Their Lordships will be prepared to sanction the necessary virement.

9. As is indicated in paragraph 6 of the letter to the India Office, a copy of which is enclosed herewith, the India Office claim has been accepted provisionally, and will be subject to review by Their Lordships in the light of the further accounts and information to be furnished by the High Commissioner for Iraq in accordance with the Secretary of State's telegram No. 19 of the 13th of January last.*

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* No. 86.

10. The amount of the Iraq deficit at 31st March, 1921, to be met from Imperial funds—provisionally taken at 174 lakhs—will also be subject to review when Their Lordships have had an opportunity of considering the further accounts and information referred to in the preceding paragraph.

11. As was intimated at the Conference at the Treasury on the 4th ultimo, My Lords consider that so much of the amount provided from Imperial funds to meet the deficit at 31st March, 1921, as represents the value of stores purchased prior to 31st March, 1921, and remaining on hand at this date should be regarded as a loan to the Iraq Government. They will be glad to learn whether Mr. Churchill concurs in that view, and to be furnished with particulars showing the amount involved.

12. In conclusion I am to add that as at present advised Their Lordships see no sufficient justification for providing the Iraq Government, at the expense of Imperial Funds, with a working balance. They could not contemplate assistance of that nature, even in the form of a loan, unless it were clearly demonstrated that the necessary funds could not possibly be obtained from other sources.

I am, &c.,
G. L. BARSTOW.

Enclosure 1 in No. 95.

SIR, Treasury Chambers, 28th February, 1922.

I AM directed by the Lords Commissioners of His Majesty's Treasury to advert to previous correspondence ending with Treasury letter of the 24th of November last and to subsequent semi-official discussions on the subject of the claims of the Government of India in respect of funds supplied to the Civil Administration of Iraq in the period to 31st March, 1921.

2. I am to request you to inform the Secretary of State for India in Council that My Lords have now decided to accept the claim of your Department that the advances should be repaid in sterling on the basis of the rupee exchange rates ruling at the time the advances were made.

3. The sum originally claimed in respect of funds supplied to and retained by the Civil Administration was £4,320,000. That figure included £790,000 in respect of 85 lakhs in the year 1920-1 which, it has since been agreed, should be regarded as the rupee debt due by the Iraq Government.

4. It has been agreed further that the amount due in respect of the period to 31st March, 1919, is £440,000 instead of £480,000 as originally claimed. The revised figure is arrived at as follows:—

Sterling remittances to His Majesty's Treasury	£600,000
Less sterling equivalent of 24 lakhs drawn by India from Iraq (at R=1s. 4d.)	160,000
	£440,000

5. With these adjustments the amount now claimed is as follows:—

From His Majesty's Government	£3,490,000
From Iraq	85 lakhs

6. Mr. Montagu will be aware that the amount of the claim is based upon a summary of the Ways and Means position furnished by the High Commissioners of Iraq following an examination of the accounts by Mr. Mitra, an official of the Government of India. My Lords are unable to agree to a final figure as the amount due pending their consideration of the full financial accounts which the High Commissioner has been instructed to furnish. They are, however, prepared to deal with the claim on the basis of the information at present available, and to authorize payment subject to Parliamentary approval of the Supplementary Estimate involved, within the current financial year on the understanding that such adjustments as may be found to be necessary when more complete information is available will be made. An assurance was given by the India Office representatives at the Conference on the 4th ultimo that payment of the claim would be accepted on this understanding, and I am to request that official confirmation may now be given.

7. I am to enclose a copy of a letter of even date which Their Lordships have caused to be addressed to the Colonial Office indicating how provision will be made for meeting the claim.

8. A copy of a letter of even date addressed to the War Office* on the subject of the Government of India's claim in respect of funds obtained by the Military Authorities in Iraq is also enclosed.

I am, &c.,
G. L. BARSTOW.

The Undor Secretary of State,
India Office.

Enclosure 2 in No. 95.

India's original claim on account of Iraq was		£4,320,000
India Office have now agreed verbally that their calculations of the amount due for the period to 31/3/1919 are incorrect.		
Correct claim.		
Sterling remittances to His Majesty's Treasury ...	£600,000	
Less—		
Sterling equivalent of 24 lakhs drawn from Iraq (R=1s. 4d.)†	160,000	
	£440,000	
Original claim	480,000	
Overcharge		40,000
		£4,280,000
But this includes £790,000 as the sterling equivalent of 85 lakhs which India Office are prepared to regard as a rupee debt due by Iraq, to be settled locally. India's final claim is therefore		
(1) from His Majesty's Government (£4,280,000 – £790,000) ...		£3,490,000
(2) from Iraq		lakhs 85
Towards (1) His Majesty's Treasury hold £600,000 plus interest earned, say, £111,000 or £711,000.		
His Majesty's Government therefore have to find (£3,490,000 – £711,000)		£2,779,000
Towards this Iraq will pay India 302‡ lakhs which her accounts show as owing. On the safe basis, for Estimate purposes, of R=1s. 3d., the sterling equivalent of this is		1,887,500
It will therefore be necessary for His Majesty's Government to pay India as exchange difference		891,500
If Iraq pays India the rupee debt she owes her accounts at 31/3/1921 will show a cash deficit of 139 lakhs, equivalent to (R=1s. 3d.) ...		868,750
To this, however, it is necessary to add		
(i) 22 lakhs advanced by Iraq to Suleimanyich and treated as recoverable, and therefore as equivalent to cash, in Iraq accounts—if, as must be assumed for Estimate purposes, the advance proves to be irrecoverable (R=1s. 3d.)		137,500
(ii) Difference of 13 lakhs between cash balance at 31/3/1921 which Iraq ought to have had according to her accounts, and the cash balance she is said actually to have had. It is explained that the difference is due to the counting as revenue, in arriving at the deficit at 31/3/1921 of 13 lakhs belonging to Municipalities and other bodies independent of the Iraq Administration. In the absence of more precise information it is necessary to assume, for Estimate purposes, that the explanation is correct. (R=1s. 3d.) ...		81,250
		£1,087,500

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* Not printed. † The 24 lakhs is the net result of cross transactions over about 2 years. The rate of 1s. 4d. is not unfavourable to His Majesty's Government. ‡ Iraq owes India 387 lakhs altogether, thus—here 302, above 85=387.

Supplementary provision is therefore required for Iraq deficit at 31/3/1921	£1,087,500
Exchange losses	891,500
	£1,979,000

6215

No. 96.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 2.50 p.m., 1st March, 1922.)

TELEGRAM.

[*Answered by Nos.* 111 *and* 114.]

No. 129. Now that Supplementary Estimates have been presented, and we are approaching the end of financial year we must carefully review financial position both from the Imperial and Iraq points of view. In my telegram of 22nd February* you were informed of the amounts provided in Supplementary Estimate. These, together with original Estimate, show the following provision for 1921-22 for local Imperial service : :—

High Commissioner	£ 30,000
Levies	687,000
Railways, capital expenditure	300,000
Assyrian Refugees	400,000
Armenians and Russians	298,000
Civil Deficit	1,087,500
Loss by Exchange	891,500

but savings of £60,000 on railways capital and £53,000 on Assyrians are expected on above figures. On no account must joint expenditure here and by you in Iraq on these services exceed amounts shown less anticipated savings mentioned. Please telegraph your expenditure on each of these services at 28th February and 31st March, 1922. Treasury have refused to bear any expenses on account of Iraq Army or working deficit on railways, and will make no provision for working balance for Iraq Government. Figure provided in Supplementary Estimate for Civil deficit has been fixed on assumption that Iraq Government will pay to India before close of financial year the 121 lakhs which it had as workng balance on 1st of March, 1921. Please inform me by telegram (*a*) what is Iraq's working balance now, (*b*) whether any amounts have been drawn from India since 1st April last on account of Iraq as opposed to Imperial services and, if so, how much, (*c*) whether Iraq will be in a position to find cash to pay India 121 lakhs before end of financial year. If she is not I will endeavour to arrange with India Office for short postponement of repayment, but such postponement will be possible only if she will definitely undertake to raise funds by loan or other equivalent means. See my despatch which follows on this subject.—SECRETARY OF STATE FOR THE COLONIES.

9813

No. 97.

COLONIAL OFFICE to INDIA OFFICE.

SIR, Downing Street, 4th March, 1922.

WITH reference to the letter from the Treasury to the India Office of the 28th February last,† a copy of which has been furnished to Mr. Churchill direct, on the subject of the claims of the Government of India in respect of funds supplied to the Civil Administration of Iraq in the period to the 31st March, 1921, I am directed by Mr. Secretary Churchill to request that you will inform Mr. Montagu that he proposes to effect adjustment of the Government of India's claim in the manner explained below.

2. Mr. Montagu will have observed from Their Lordships' letter that a settlement involves (*a*) remittance of funds by the Government of Iraq, and (*b*) payments

* 6233: not printed. † Enclosure 1 in No. 95.

by the Colonial Office of the difference between India's full claim of £3,490,000 and the sterling equivalent of the 302 lakhs which are payable by Iraq.

3. It will accordingly be necessary to make payments in this country through the Crown Agents for the Colonies in respect of the sums payable by Iraq, and direct from this Office in respect of the sum payable by His Majesty's Government.

4. It is therefore proposed to make during this month the following payments :

(*a*) On or about the 6th instant, a sum of £603,750, representing the sterling equivalent, at 1s. 3¾d. the rupee, of 92 lakhs paid by the War Office to Iraq in respect of services rendered to the military authorities to the 31st March, 1921, will be paid to you by the Crown Agents for the Colonies. The Crown Agents for the Colonies should be furnished with a receivable order accordingly.

(*b*) On the same date, the sum of £709,131 6s. 3d. will be paid to you by this Office, as representing the amount on deposit at the Treasury to which reference is made in Sub-section (*a*) of paragraph 7 of the Treasury letter before referred to. The difference between that amount and the £711,000 mentioned in the Treasury letter is understood to be due to the loss of interest incurred through withdrawing the deposit at the beginning instead of, as was originally contemplated, at the end of the present month.

(*c*) The sum of £1,141,875, representing the value, at 1s. 3¾d. the rupee, of 174 lakhs, provisionally payable to Iraq on account of the deficit at 31st March, 1921, will be paid to the Crown Agents so soon as the Vote is reported to have been taken, and they have been instructed to transfer the amount to you immediately. I am to suggest that a receivable order for that sum should be furnished to the Crown Agents for the Colonies.

(*d*) Similarly, when the Vote has been taken, the sum of £798,993 13s. 9d., representing £797,125 exchange loss, and a sum of £1,868 13s. 9d., being the difference between £711,000 referred to at Section (*a*) of paragraph 7 of Treasury letter of the 28th February and the £709,131 6s. 3d. referred to at (*b*) above, will be paid to you direct by this Office. I am to ask that a receivable order for £798,993 13s. 9d. may be furnished to this Office in due course.

5. Mr. Montagu will be aware that these sums are paid provisionally, and will be subject to final adjustment on receipt from Iraq of the accounts showing the sums actually due.

6. With regard to the difference of £236,250, which will remain un-repaid after the arrangements indicated above have been carried out, I am to point out that this amount represents the sterling equivalent at 1s. 3¾d. the rupee of 36 lakhs payable by Iraq, and Mr. Churchill is in communication with the High Commissioner as to the means by which payment of that sum to you can be effected.

I am, &c.,

J. E. SHUCKBURGH.

6613

No. 98.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 2.25 p.m., 4th March, 1922.)

TELEGRAM.

4TH MARCH. No. 141. Your despatch 22nd (8th) December, No. 158.* Money Order transactions April and May, £142,369, cannot be paid here as money is due from Iraq to India purely as payment for moneys received, and has no relation to Imperial services for which money is voted. You should arrange for Iraq to effect settlement with India direct. In future Colonial Office can only undertake to settle in this country in sterling Bills drawn on India by High Commissioner for Imperial purposes up to limit of money voted, less any savings arising, and any other drawings on India by Iraq must be arranged and settled in direct communication with India by Iraq Government.—SECRETARY OF STATE FOR THE COLONIES.

* No. 89.

10881

No. 99.

INDIA OFFICE to COLONIAL OFFICE.

(Received 7th March, 1922.)

SIR, India Office, Whitehall, London, S.W., 6th March, 1922.

I AM directed by the Secretary of State for India to refer to the letter from His Majesty's Treasury to the Colonial Office, dated the 28th February, 1922,* and previous correspondence, on the subject of the Government of India's claims in respect of Iraq Money Order transactions to the end of 1920-21.

2. The amount of the claim, exclusive of a sum of £3,920,000 treated as due from the War Office on account of funds supplied by Iraq to the Command Paymaster, is now as follows:—

From His Majesty's Government £3,490,000
From Iraq (settlement locally) ... ... Rs.85 lakhs.

3. The Treasury have intimated, in a letter to the India Office. dated 28th February,† of which it is understood a copy has been forwarded to the Colonial Office, that they are now prepared to authorize payment, within the current financial year, of the above claim, subject to Parliamentary approval of the Supplementary Estimate involved, and on the understanding that such adjustments will be made as may be found to be necessary when more complete information is available.

4. I am to say that payment of the claim will be accepted subject to such adjustment. Copy of a letter addressed to the Treasury, in which an assurance is given on this point, is enclosed.

5. It is understood that the Colonial Office is in a position to make immediate payment of the sums referred to in paragraphs 4 and 7 (*a*) of Treasury letter to the Colonial Office of 28th February, and that the sterling equivalent of the former may be calculated at the official rate of exchange fixed for the month of March for transactions between the Imperial and Indian Governments. The official rate for March is 1s. 3¾d. the rupee, at which rate the equivalent of Rs.92 lakhs is £603,750.

6. With a view to the payment of the respective sums of £603,750 and £709,131 6s. 3d.‡ to this Office, Receivable Orders were forwarded to the Crown Agents and the Colonial Office respectively on the 4th instant.

7. It is assumed that the sum of £1,979,000 (i.e., "Iraq deficit" £1,087,500, plus "Loss by exchange" £891,500) will be paid to this Office as soon as the requisite Supplementary Vote has been obtained. With regard to the balance of the sterling amount claimed, I am to express the hope that the Colonial Office will make the necessary arrangements, in consultation with the Iraq Administration, for the payment to this Office in sterling, before the end of the current financial year, of the sum mentioned in paragraph 5 of Treasury letter to the Colonial Office (viz., the equivalent of Rs.36 lakhs). When the sterling amount of this payment is known, any necessary adjustment will be made in respect of the item £891,500 "loss by exchange," so that the total sterling amount received in respect of these transactions shall be equal to the amount claimed, viz., £3,490,000.

8. Copy of a letter addressed to the War Office is enclosed for your information.

I have, &c.,
C. H. KISCH,
Financial Secretary.

Enclosure 1 in No. 99.

SIR, India Office, Whitehall, London, S.W.1, 6th March, 1922.

I AM directed by the Secretary of State for India to acknowledge receipt of your letter of the 28th February, on the subject of the Government of India's claims in respect of funds supplied to Iraq to the end of 1920-21.

2. The Secretary of State is glad to note that the contention that repayment should be made in sterling on the basis of the rupee exchange rates ruling at the time of the supply of funds, is accepted.

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* No. 95. † Enclosure 1 in No. 95. ‡ It is understood that this is the amount of the sum "on deposit at the Treasury" which is referred to in Treasury letter to Colonial Office (No. 95) as "approximately £711,000."

3. With reference to paragraph 6 of your letter, I am to invite attention to the fact that, while the telegraphic summary of Iraq Ways and Means Accounts, on which the verification of the Government of India's claim is based, was originally drafted by Mr. Mitra, the telegram was sent by and on the authority of the Iraq Administration, and its terms were before issue discussed and agreed to by the representatives, not only of the Government of India, but also of the Iraq Administration and of His Majesty's Treasury and the Colonial Office. It is, however, recognized that the figures may require amendment in the light of the final accounts, and I am to say that payment will be accepted by this Office on the understanding that, in the event of further information showing that the amount due to the Government of India on account of these transactions differs from the sums paid under the present settlement, the necessary adjustment will be made.

4. Mr. Montagu desires to express his gratification at the satisfactory settlement of these troublesome transactions, and to acknowledge the cordial co-operation in that settlement of His Majesty's Treasury and the other Departments concerned.

5. A copy of letters addressed to the Colonial Office and the War Office is enclosed.

I have, &c.,
C. H. KISCH,
Financial Secretary.

The Secretary,
Treasury,
S.W.1.

Enclosure 2 in No. 99.

SIR, India Office, Whitehall, London, S.W.1, 6th March, 1922.

I AM directed by the Secretary of State for India to refer to the letter from His Majesty's Treasury to the War Office, dated the 28th February, 1922, and previous correspondence on the subject of the Government of India's claim against the War Office in connexion with Iraq Money Order transactions to the end of 1920-21.

2. In respect of these transactions the sum of £3,920,000 was claimed from the War Office. Payments on account of this claim have already been received, amounting to £3,875,000 in all. I am to request that payment may now be made of the balance, viz., £45,000, referred to in Treasury letter to the War Office. A Receivable Order for £45,000 is enclosed.

3. A copy of letters addressed to the Treasury and the Colonial Office is enclosed for your information.

I have, &c.,
C. H. KISCH,
Financial Secretary.

The Secretary,
War Office,
S.W.1.

10886

No. 100.

AIR MINISTRY to COLONIAL OFFICE.

(Received 7th March, 1922.)

Air Ministry, Adastral House,
SIR, Kingsway. London, W.C.2, 7th March, 1922.

I AM commanded by the Air Council to forward for your information a copy of War Office letter of the 3rd instant, and of Air Ministry letter of the 4th instant to the Treasury. A copy of Air Ministry letter of the 25th ultimo* has already been forwarded.

I am, &c.,
H. McANALLY.

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* 9842: not printed.

Enclosure 1 in No. 100.

SIR, War Office, London, S.W.1, 3rd March, 1922.

I AM commanded by the Army Council to acknowledge the receipt of your letter of 25th February regarding the estimates for the Garrison of Iraq and Palestine in 1922/23.

The final total figures for the Air Ministry and War Office together have been sent to the Colonial Office for the Civil Estimates, but certain matters remain to be settled as regards the division of the figures between Army and Air Estimates. The Army Council concur in the basis recorded in your lettter, except on two points.

1. It is proposed in your letter that the Indian combatant units and their followers in Iraq shall be provided for in Army Estimates for the whole year 1922/23. This proposal is presumably made on the ground that it has been finally decided to provide in Army Estimates for two British battalions in Iraq throughout the year, and that therefore Army personnel for the issue of pay, etc., will be present for the whole year. I am to point out, however, that the question of the retention of two British battalions is to be further considered by the 1st May; it is by no means certain that they will be retained throughout the year, and, if they are not, there will be no Army personnel paying troops in Iraq after October next. Moreover, the payment of other Indian natives, e.g., Labour Corps, will presumably have to be undertaken by the Air Force from 1st October next, and on the whole it appears to the Army Council that it will be better to make the transfer of local payment to Indian combatant units also on 1st October, rather than to wait till 1st April, 1923. As regards the charges by the Indian Government, however, the Army Council will make provision for the whole year on Army Votes, on the basis of repayment of the due proportion by the Air Ministry.

2. It is proposed in your letter that any arrear charges in respect of Army Works Services in Iraq or Palestine which have been completed before 1st April, 1922, should be borne by that as Parliament will be asked to make provision in Air Ministry Estimates for Works Services in Iraq and Palestine from 1st April, 1922. Parliament should not be asked to make any provision in the same year under Army Estimates, and that therefore, in principle, any arrear charges should be borne by Air Votes. I am to say, however, that to the best of the Army Council's knowledge no substantial amount will remain unpaid on 31st instant in respect of Works which have been completed during the current or previous years, and that as regards Works in progress the Council believe that the amounts notified to your Department as being required for 1922/23 are sufficient to cover all outstanding charges for Work done or Stores purchased. The amounts notified to you are, in fact, those which would have been provided in Army Estimates if the responsibility for Works Services had not been transferred to the Air Ministry.

In view of these considerations I am to express the hope that the Air Council will be able to concur in the views of this Department expressed above, which are those discussed at a Conference of Financial Officers of the two Departments held on 1st February. An immediate decision is, of course, necessary. In the absence of agreement it will be necessary to refer to the Treasury.

I am, &c.,
H. J. CREEDY.

The Secretary,
Air Ministry, Kingsway, W.C.2.

Enclosure 2 in No. 100.

Air Ministry, Adastral House,
SIR, Kingsway, London, W.C.2, 4th March, 1922

I AM commanded by the Air Council to acquaint you for the information of the Lords Commissioners of His Majesty's Treasury, that they have had under consideration the division of charges between Army and Air Estimates for expenditure in Iraq in 1922/23. Copies of Air Ministry letter of the 26th ultimo to the War Office and of the War Office reply of the 3rd instant are enclosed.

The general question was discussed at a conference held at the Treasury, at which the War Office and Air Ministry were represented, on the 26th November last. It was then agreed that provision for Indian personnel in Iraq should be made in Army Estimates for the whole of 1922/23. This agreement was subsequently approved by Their Lordships and the decision was conveyed officially to the War Office and the Colonial Office. The proposals contained in the Air Ministry letter quoted above depart from this decision only in so far as Indian personnel employed on ancillary services are concerned.

At the time the decision referred to above was arrived at it was contemplated that the establishment would include two British battalions for the second half year. At a subsequent date, when these battalions were excluded from the establishment and only Indian troops were in question, the War Office expressed the view that the provision in Army Estimates should be for the first half year only. As the two British battalions have now been restored to the establishment, the Air Council are strongly of the opinion that the original decision in which the War Office representative concurred should hold good. This view is based on the general convenience to the three departments concerned and to the difficulty of effecting a change of this nature half way through a financial year, particularly having regard to the fact that the estimate for the second half year must in any case be prepared by the War Office. They do not regard the uncertainty as to the retention of the two British battalions as a decisive argument against this view, whilst no difficulty need be anticipated for the discharge of accounting duties.

As their Lordships are aware the Council have proposed that provision for the Indian troops in Palestine should be made in the Colonial Office Estimates only, all disbursements by the Air Ministry, as agents for the Colonial Office, being effected through the medium of a suspense account. In the event of this proposal being approved a similar procedure could, if necessary, be applied in the case of Iraq from the 1st October next. In the opinion of the Air Council, however, provision in Army Estimates for the whole year offers the simplest solution of a very real difficulty and I am to express the hope that Their Lordships re-affirm the application of the previous decision.

So far as arrear charges for completed Army work services are concerned the Council are prepared, in view of the statement that no substantial amount is involved, to waive their objection. Should, however, the amount afterwards prove to be considerable, it may be necessary to re-open the question.

As the final Air Estimates cannot be prepared until a decision has been arrived at I am to request the favour of a very early reply.

I am, &c.,
W. F. NICHOLSON.

The Secretary,
H.M. Treasury, Whitehall, S.W.1.

6813

No. 101.

COLONIAL OFFICE to INDIA OFFICE.

[*Answered by No.* 109.]

SIR, Downing Street, 7th March, 1922.

I AM directed by Mr. Secretary Churchill to acknowledge the receipt of your letter of the 10th February* regarding the settlement of Money Order transactions between India and Iraq for April and May, 1921.

2. I am to explain that at this date the funds remaining available for Imperial services in Iraq will be required entirely to meet such Bills as may be drawn on India by the High Commissioner at Baghdad for Imperial requirements to the 31st March as well as the major portion of India's claim for £3,490,000 for Money Orders supplied to Iraq in the previous financial year.

3. In these circumstances Mr. Churchill fears that it is not possible to authorize the payment of the claim for £142,369 9s. 9d. which is due from Iraq to India purely as a repayment of moneys received, and has no relation to Imperial services for which money is voted. He has accordingly instructed the High Commissioner by telegram,† of which a copy is enclosed, to arrange to effect a settlement with India direct.

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* No. 93. † No. 98.

4. It will be observed that Sir Percy Cox has been instructed that, for the future, the Colonial Office will only undertake to settle in this country in sterling Bills drawn on India by the High Commissioner for Imperial purposes up to the limit of money voted, and that any other drawings on India by Iraq must be arranged and settled in direct communication with India by the Iraq Government.

I am, &c.,
J. E. SHUCKBURGH.

11300

No. 102.

TREASURY to COLONIAL OFFICE.

(Received 9th March, 1922.)

SIR, Treasury Chambers, 8th March, 1922.

I AM directed by the Lords Commissioners of His Majesty's Treasury to transmit herewith, for the information of Mr. Secretary Churchill, copy of a letter which they have caused to be addressed this day to the Air Ministry relative to the estimated provision and accounting arrangements to be made in respect of troops employed in Iraq and Palestine after the respective dates of transfer to Air Force control.

Should Mr. Churchill see no objection, My Lords authorise the pay of the Indian troops employed in the Middle East being charged direct to sub-head A of the Middle Eastern Vote, in the case of Palestine as from 1st April next, and in the case of Iraq as from 1st October next.

Their Lordships do not consider that it is necessary to insert a separate sub-head for this purpose, but the existing title should be enlarged by the addition of the words "and for Indian troops employed."

I am, &c.,
G. L. BARSTOW.

Enclosure in No. 102.

SIR, Treasury Chambers, 8th March, 1922.

I AM directed by the Lords Commissioners of His Majesty's Treasury to refer to your letter of the 4th instant, relative to the division of charges between Army and Air Estimates for expenditure in Iraq in 1922-23, and to semi-official discussion with reference to the letter from the Colonial Office to your Department of 10th February last, as to estimate provision and accounting arrangements in Palestine. I am to request that you will inform the Air Council as follows:

2. My Lords concur in the arrangements agreed upon between your Department and the War Office with regard to expenditure in Iraq, but they must stipulate that the acceptance by your Department of arrear charges in respect of works expenditure shall be final.

3. The question of stores is not explicitly referred to in the correspondence.

My Lords consider that the Air Ministry should take over free of cost as "a going concern" the whole of the stocks, etc., in the Middle East, declaring to the Disposal and Liquidation Commission as surplus any stores considered to be unnecessary for the upkeep of the future garrison and continuing existing accounts.

4. My Lords are advised that any units of the Regular Army attached to the Air Force and the Indian troops employed in both Iraq and Palestine should continue to be shown in Army Vote A, since they cannot be regarded as part of the establishment of the Royal Air Force: They are instructing the War Office accordingly.

Any new units, such as Armoured Car Companies, recruited for service under the Air Force should be borne on Air Vote A.

5. With a view to simplifying accounting arrangements My Lords are willing that after the Air Force assumes control in the Middle East the pay of the Indian troops should, subject to the concurrence of the Colonial Office, be charged direct to the Middle East Vote.

In the case of Iraq this arrangement should take effect as from the 1st October next, as contended by the War Office.

The Colonial Office has been informed accordingly.

6. The pay of new Air Force units and of Army departmental units or officers attached to the Air Force should, as from the date of transfer to Air Force control be charged against Air Votes.

I am, &c.,
G. L. BARSTOW.

The Secretary,
Air Ministry.

5126

No. 103.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 4.25 p.m., 10th March, 1922.)

TELEGRAM.

[*Answered by No.* 116.]

(No. 158.)

YOUR telegram 18th November, No. 688.* Telegraph early balance of Port accounts on 31st March, 1921, and what amount was included in such balance on account of outstanding claims against military.—SECRETARY OF STATE FOR THE COLONIES.

9813

No. 104.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(No. 167.)

SIR, Downing Street, 10th March, 1922.

WITH reference to previous correspondence on the subject of the deficit of the Civil Administration of Iraq at 31st March, 1921, I have the honour to transmit to you, for your information and guidance, the correspondence† noted in the margin showing the payments that will be made on this account during the present month.

From Treasury, 28th February, 1922.
To India Office, 4th March, 1922.
To Crown Agents, 4th March, 1922.
From India Office, 6th March, 1922.

2. You will observe that a sum of £603,750, representing the equivalent of Rs. 92 lakhs received from the War Office on account of the settlement of outstanding claims between Iraq and the Army Authorities to which reference is made in Section V of your telegram No. 688 of the 18th November last,‡ has been paid in to the Iraq account with the Crown Agents for the Colonies, who have been instructed to pay a corresponding amount to the India Office and to charge their account with Iraq. This procedure is necessary in order that the payment by Iraq to the Government of India of 92 lakhs on account of the former's total indebtedness to the latter of 302 lakhs may be duly recorded in the Iraq accounts. For the same reason, similar procedure will be followed with regard to the 174 lakhs (£1,141,875) that it is expected will be available shortly for payment to India on behalf of Iraq, as representing the amount of the Civil Deficit at 31st March, 1921.

3. I take the opportunity to mention here that the sum of Rs. 174 lakhs represents the maximum amount payable by His Majesty's Government in respect of the deficit and that, subject to that maximum, the actual amount to be finally paid on that account will be determined after receipt of the detailed accounts called for in my telegram No. 19 of the 13th January.§ Such further adjustment as may then be necessary will be effected through the Crown Agents for the Colonies. I would point out also that although your telegram No. 688 of the 18th November last states that the accounts of the Port at Basrah are not incorporated in the Iraq accounts, it is essential that, for the purpose of determining the amount of the deficit, the port accounts must be included in the Iraq Accounts to 31st March, 1921. I have to request, therefore, that accounts showing the financial position of the port at 31st March, 1921, may be forwarded to me at an early date with the other accounts already called for.

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* No. 75. † Nos. 95 and 97, 9813: not printed, and No. 99. ‡ No. 75. § No. 86.

4. The payments by Iraq of the sums of Rs. 92 lakhs and Rs. 174 lakhs mentioned in paragraph 2 will leave a sum of Rs. 36 lakhs to be remitted by Iraq to this country for payment to India at the earliest opportunity. This amount forms part of the Rs. 121 lakhs referred to in the latter part of my telegram No. 129 of the 1st March,* in which I inquired whether Iraq would be in a position to find cash to that amount for payment to India before the end of this financial year. Since that telegram was despatched, however, I have received from Army funds the sterling equivalent of Rs. 103 lakhs in settlement of the claims and counter-claims between the Civil Administration and Military Authorities referred to in your telegram No. 713 of the 24th November last.† I enclose, for your information, a copy of correspondence‡ which has taken place with the War Office on the subject. You will note the conditions on which the payment has been made and accepted.

5. The sum of Rs. 103 lakhs represents approximately, I understand, the sum of Rs. 109 lakhs shown in the statement accompanying the letter of the 28th September last§ from the General Officer Commanding, Mesopotamia Expeditionary Force, to the War Office, less 80 per cent. of the sum Rs. 7,85,193 (Rs. 6,28,154) mentioned in paragraph 2 of the further letter from that officer of the 14th October last.‖ Of the Rs. 103 lakhs thus received Rs. 92 lakhs have already been paid to the Crown Agents on behalf of Iraq, as explained in paragraph 2 of this despatch. The balance of Rs. 11 lakhs will apparently require adjustment in the following manner:—

To be paid to Iraq.

(*a*) The cash paid by the Civil Administration to the Military as shown in statement "B" appended to General Officer Commanding's letter to War Office of 28/9/21	Rs. 2,99,300
(*b*) Ditto, as shown in General Officer Commanding's letter of 14/10/21, paragraph 1	4,50,000
	Rs. 7,49,300
Less cash paid by Army to Civil Administration as shown in statement "B" appended to General Officer Commanding's letter of 28/9/21	1,46,600
	Rs. 6,02,700

To be paid to Basrah Port.

The amount due to the Port in respect of its share of the War Office settlement of Rs. 103 lakhs, subject to such modification as may be necessary through the inclusion in the Civil Deficit of any surplus or deficit shown in the Port Accounts to 31st March, 1921. With regard to the statement in your telegram No. 688 of the 18th November¶ that the sum due to the Port on account of the settlement with the Military is Rs. 17 lakhs, I would observe that the statement accompanying the General Officer Commanding's letter of the 28th September shows the net amount of the Port claims as Rs. 15,51,395 in respect of which only 80 per cent. is included in the War Office settlement. The figure of Rs. 17 lakhs before mentioned would appear to be subject, therefore, to modification.

6. I have accordingly asked you by telegram to state what balance appears in the accounts of the Port at that date, and a provisional settlement will be effected on receipt of your reply.

7. It is proposed, on receipt of your reply, to pay the two sums of Rs. 6,02,700 and the sum due to the Port when ascertained definitely to the India Office direct in part settlement of the 36 lakhs referred to in paragraph 4.

I have, &c.,
WINSTON S. CHURCHILL.

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* No. 96. † No. 77. ‡ Nos. 83, 91 and 94 § Enclosure 1 in No. 80.
‖ Enclosure 2 in No 80. ¶ No. 75.

6215

No. 105.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 5.15 p.m., 14th March, 1922.)

TELEGRAM.

[*Answered by No.* 111.]

No. 171. My telegram 1st March, No. 129.* Anxious for reply to part C immediately, particularly whether Iraq Government can repay to India the 121 lakhs before 31st March. It is understood that 85 lakhs is in course of payment or has actually been paid locally. India Office would prefer payment of balance of 36 lakhs here in sterling, towards which we have received from War Office (*a*) 602,700 rupees, the difference between cash paid since 31st March last by Civil to Army and cash paid by Army to Civil, see letters from General Headquarters to War Office of 28th September and 14th October,† and (*b*) balance owing to Port.

This would appear to be 80 per cent. of 15,51,395 rupees, plus or minus deficit or surplus at 31st March, 1921, to start Port fair and square on this date, as to which we are awaiting reply to our telegram 158 of 10th March.‡

We propose to pay the sums represented by (*a*) and (*b*) direct to India Office in sterling at 1/3¾ in part settlement of 36 lakhs.

Can you remit difference between 36 lakhs and (*a*) plus (*b*) to Crown Agents before 31st instant for payment to India Office in sterling at 1/3¾ per rupee, or would you prefer to pay this difference direct to India by that date?

Full details have been sent by mail on 10th instant.§—SECRETARY OF STATE FOR THE COLONIES.

13451

No. 106.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 21st March, 1922.)

(No. C.O./133. 6/53.)

SIR, The Residency, Baghdad, 23rd February, 1922.

I HAVE the honour to enclose for your information copies of the marginally-noted correspondence relating to the amount due from the Iraq Government on account of Money Order transactions between Iraq and India for the month of June, 1921, and to request you to pay to the Secretary of State for India, on demand, the sum of £123,178 2s. 6d. in settlement of this account.

1. Letter No. 137/F, dated 12th January, 1922, from the Government of India Finance Department, Delhi, to High Commissioner for Iraq, Baghdad.
2. Memorandum No. 531, dated 20th February, 1922, from Accountant General, Baghdad, to the Secretary to H.E. the High Commissioner for Iraq, Baghdad.

I have, &c.,
P. Z. COX,
High Commissioner for Iraq.

Enclosure 1 in No. 106.

LETTER No. 137-F., DATED 12TH JANUARY, 1922. FROM THE GOVERNMENT OF INDIA, FINANCE DEPARTMENT, DELHI, to HIS MAJESTY'S HIGH COMMISSIONER FOR IRAQ, BAGHDAD.

LIABILITY OF THE IRAQ GOVERNMENT ON ACCOUNT OF MONEY ORDER TRANSACTIONS, FOR THE MONTH OF JUNE, 1921.

IN continuation of my letter No. 2845-F., dated the 7th October, 1921, I am directed to state that the Accountant General, Posts and Telegraphs, has reported that the net liability of the Iraq Government, on account of Money Order transactions between Iraq and India for the month of June, 1921, amounts to Rs. 18,50,635 or £121,447 18s. 5d., converted at the official rate of exchange prevailing during that month. The Government of India will be obliged if your acceptance of the claim is intimated to them and to the Colonial Office at an early date.

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* No. 96. † Enclosures in No 80. ‡ No. 103. § No. 104.

Enclosure 2 in No. 106.

MEMORANDUM No. 531/2/15 DATED 19/20TH FEBRUARY, 1922, FROM THE ACCOUNTANT GENERAL, BAGHDAD, to THE SECRETARY TO HIS EXCELLENCY THE HIGH COMMISSIONER, BAGHDAD.

REFERENCE your memorandum No. 1607/3/14/9, dated 30th January, 1922.

The net liability of the Iraq Government on account of Money Order transactions between Iraq and India for the month of June, 1921, is Rs. 18,77,000/-. This figure was intimated by the Deputy Accountant General (Iraq P. & T.), Baghdad, to the Accountant General (P. & T.) Calcutta, and has since been communicated by the latter to the Government of India in modification of his previous report.

Acceptance of this figure may therefore be kindly communicated by you to the Government of India and the Colonial Office.

Please forward me two copies of your memorandum.

11300

No. 107.

COLONIAL OFFICE to AIR MINISTRY.

[*Answered by No.* 118.]

Downing Street, 21st March, 1922.

SIR,

I AM directed by Mr. Secretary Churchill to refer to Treasury letter of the 8th March.* a copy of which has been forwarded to the Colonial Office, relative to the accounting arrangements to be made in respect of troops employed in Iraq and Palestine, after the respective dates of transfer to Air Force control.

2. With regard to the direct charge against the Vote for Middle Eastern Services of the pay of Indian Troops, it is understood that the Air Council is prepared to carry out the procedure set out in paragraph 3 of Treasury letter of the 12th January last,† a copy of which is enclosed for convenience of reference, and to act as Agents for the Colonial Office, dealing with the India Office on behalf of the Colonial Office so far as Indian troops are concerned as well as with the War Office in so far as British troops are concerned.

3. Mr. Churchill will be glad to receive the concurrence of the Air Council in the arrangements proposed before addressing the India Office on the subject.

I am, &c.,

J. E. SHUCKBURGH.

3088

No. 108.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 2.30 p.m., 21st March, 1922.)

TELEGRAM.

[*Answered by No.* 113.]

No. 197. Your despatch No. 158 of 8th December,‡ requesting payment by this office to India of £45,079 3s. 4d. and £97,290 6s. 5d., in respect of money order transactions between Iraq and India for April and May, 1921. Regret we cannot pay in sterling here as the amounts are due from Iraq to India purely as a repayment of monies received, and bear no relation to Imperial Services for which Imperial funds are voted. I understand some £300,000 is also due for June and July. India Office is anxious for settlement before 31st instant. Please telegraph at once whether you can remit total sum involved direct to India or remit to Crown Agents before 31st.

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* Enclosure in No. 102. † No. 85. ‡ No. 89.

14216

No. 109.

INDIA OFFICE to COLONIAL OFFICE.

(Received 25th March, 1922.)

[*Answered by No.* 115.]

SIR,

India Office, Whitehall, London, S.W.1, 24th March, 1922.

I AM directed by the Secretary of State for India to refer to your letter of the 7th March,* and to subsequent demi-official conversations regarding the settlement of Money Order transactions between India and Iraq in respect of the first four months of the current financial year.

2. It is observed that Mr. Churchill has now instructed the High Commissioner, Baghdad, to effect a settlement with India direct, for the months of April and May, 1921. In this connexion I am to invite attention to the telegram from the High Commissioner to the Colonial Office, No. 656 of the 9th November, 1921,† which stated that "Iraq Government prefer settlement on sterling basis month by month through Secretary of State for the Colonies rather than by cash payment in India." The Government of India, who were consulted by telegraph, agreed to this proposed arrangement, and the Colonial Office were so informed in this Office letter of the 30th December, 1921,‡ in which it was stated that "it is presumed that the Secretary of State for the Colonies will concur." No objection being raised by the Colonial Office, it was assumed that Mr. Churchill concurred, and the Secretary of State's Ways and Means arrangements have accordingly been made on the assumption of a receipt of approximately £420,000 from the Colonial Office in respect of these four months. A Receivable Order for £142,369 9s. 9d., for April and May, 1921, was sent to the Colonial Office with this Office letter of 19th January,§ and still no objection was raised by the Colonial Office prior to your letter of the 7th March* to the arrangement proposed by the Iraq Administration and agreed to by the Government of India. I am to point out the inconvenience that would be occasioned by dissent, at this late hour, from an arrangement which appeared to have been tacitly accepted.

3. In view of the above considerations, Viscount Peel hopes that Mr. Churchill will be prepared to authorize payment of the present claims in sterling in this country in the current financial year, making such arrangements as he may consider necessary for provision of the funds by remittance from Iraq or otherwise.

4. The claim for £142,369 9s. 9d. for April and May, 1921, based on figures agreed between the Governments of India and Iraq, has now been awaiting settlement for over two months.

5. I am to enclose copy of a further telegram received from the Government of India, reporting the agreed figure for June, 1921, as £123,178 2s. 6d.

6. I am to state for your information that the Government of India have provisionally estimated the claim for July, 1921, at £159,426. I am to ask that the sum of £265,547 12s. 3d. in respect of April, May and June, and such sum in respect of July (say £150,000) as your Department is prepared to accept provisionally pending receipt of the final figure, may be paid to the Secretary of State for India in Council by the 31st March, 1922. If Mr. Churchill anticipates any difficulty, I am to suggest that the matter should be discussed at a very early date by representatives of this Office, the Colonial Office and the Treasury.

7. I am also to suggest that, with a view to avoiding difficulties in the next financial year, a convenient opportunity should be taken in the near future to discuss the adoption of some arrangement which would limit Iraq's drawings on India for sterling settlement to such amount as is forthcoming in this country for that purpose. A figure of £6,000,000 has been entered by the Government of India in the Estimates for 1922-23, on the basis of such information as was available, on account of receipts in London in respect of Iraq drawings. I am to ask for official confirmation of this figure. Subject to any alternative arrangement which the Colonial Office may have to suggest, it is proposed that whatever figure is agreed by your Department on this head should be adopted by the Government of India as the

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* No. 101. † No. 71. ‡ 64315: not printed. § No. 87.

maximum up to which they should meet drafts on them by the Iraq authorities during the coming financial year.

8. A copy of this letter is being sent to the Treasury. The favour of an early reply is requested.

I have, &c.,
C. H. KISCH,
Financial Secretary.

Enclosure in No. 109.

From VICEROY, FINANCE DEPARTMENT, DELHI, to SECRETARY OF STATE FOR INDIA.

(Received 10 a.m., 18th March, 1922.)

TELEGRAM.

17TH MARCH. Please refer to our telegram dated 16th January, 190-F., Iraq Money Order transactions. Final figures for June, £123,178 2s. 6d. High Commissioner has asked Colonial Office to pay you sum on demand.

14217

No. 110.

INDIA OFFICE to COLONIAL OFFICE.

(Received 25th March, 1922.)

SIR, India Office, Whitehall, London, S.W.1, 24th March, 1922.

I AM directed by the Secretary of State for India to acknowledge receipt of your letter of the 17th March,* enclosing copy of a telegram sent on the 14th March† by the Colonial Office to the High Commissioner for Iraq regarding the financial position of Iraq.

2. In the penultimate paragraph of that telegram it appears to be assumed that settlement of a portion of the India Office claim of £3,490,000 may be made by a rupee payment to the Government of India.

3. I am to point out that such a method of payment is incompatible with the terms of the recent settlement, in which a clear distinction was drawn between the sterling sum payable by His Majesty's Government to the India Office and the rupee sum (Rs. 85 lakhs) payable by Iraq to the Government of India. In this connexion reference is invited to paragraph 5 of Treasury letter to the India Office of 28th February.‡ In paragraph 5 of Treasury letter to the Colonial Office of the same date,§ it is stated that "it will be necessary for the Iraq Government to remit from its own funds 36 lakhs, in addition to the 85 lakhs in course of settlement locally The method of making this remittance will no doubt be settled by your Department in consultation with the India Office," and paragraph 6 of the letter definitely contemplated payment in sterling of the sum involved. I am to request therefore that payment of the Rs. 36 lakhs should be made in sterling to this Office according to the terms of the settlement with this Office (vide paragraph 2 of Treasury letter to India Office dated 28th February.)

4. It would be convenient if this Office could be furnished with a copy of Colonial Office telegram to the High Commissioner for Iraq, No. 129 dated the 1st March,‖ of which the telegram of 14th March appears to be a continuation.

I have, &c.,
C. H. KISCH,
Financial Secretary.

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* 6215, L.F.: not printed. † No. 105. ‡ Enclosure 1 in No. 95. § No. 95. ‖ No. 96.

14814

No. 111.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 4.5 a.m., 28th March, 1922.)

TELEGRAM.

[*Answered by No.* 127.]

27TH MARCH. No. 246. Your telegram 1st March, No. 129.* I will reply separately as regards local expenditure on Middle East Services.

2. (a) Approximate cash balances in Mesopotamia Treasuries on 15th March were 70 lakhs. This figure does not include departmental balances.

(b) Amount drawn upon you through India from 1st April, 1921, to 28th February, 1922, on account of services not included in Middle East Vote is 98 lakhs approximately. Iraq railways have absorbed 83 lakhs of this to finance deficit on Revenue Account and to repay 40 lakhs to India in part settlement of liabilities outstanding from 1920-21.

(c) Iraq Government cannot repay India 1 crore, 21 lakhs before the end of financial year and strongly deprecate suggestion that this should be considered as loan from Government of India. They represent that India could reasonably object to this arrangement as a breach of faith, and having no responsibility for well-being of Iraq, state the Government of India are likely to press for harsh terms of repayment, regardless of consequences to finances of Iraq. Accordingly the Government of Iraq requests that His Majesty's Government should repay India and treat this payment as part of long term capital liability of Government of Iraq. This request is without prejudice to representations which the Iraq Government intends to make against the terms of 1921 settlement and the decision regarding the railway deficit.—Cox.

15201

No. 112.

INDIA OFFICE to COLONIAL OFFICE.

(Received 30th March, 1922.)

[*Answered by No.* 120.]

SIR, India Office, Whitehall, London, S.W., 29th March, 1922.

WITH reference to paragraph 7 of my letter of 24th March† and to oral discussions with your Department and the Treasury on the 28th March, I am directed to forward copy of a draft telegram to the Government of India on the subject of Iraq drawings on India, and to inquire whether the draft correctly represents the position and whether Mr. Churchill concurs in its terms. It is suggested that, in order to facilitate discussion between India and Iraq on the subject, the telegram should when finally despatched be repeated by your Department to the High Commissioner.

It is presumed that satisfactory arrangements will be made, if not already in force, to distinguish a bill or telegraphic transfer drawn by the High Commissioner from one drawn by the Iraq Administration, and, further, that if the High Commissioner should inadvertently, or for other cause, draw on India for a purpose which is not included under the heading Imperial services, settlement will not on that account be refused by your Department. It will obviously be impossible for the Government of India to be aware of the purpose for which he has drawn on them, and it will not be possible for them to accept his drafts if there is room for doubt as to their settlement by your Department. I am to ask that your Department will at your early convenience communicate the maximum amount to which the High Commissioner's drawings can be met here during 1922-23, for which the figure of £6,000,000 has been provisionally assumed.

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* No. 96. † No. 109.

As regards paragraphs 1 to 6 of my letter of 24th March, I am to express the hope that the further communication which it is understood is being sent to Sir P. Cox as a result of the discussion on the 27th March will result in the immediate settlement of the outstanding claims.

I have, &c.,
C. H. KISCH,
Financial Secretary.

Enclosure in No. 112.

FROM SECRETARY OF STATE FOR INDIA TO VICEROY, FINANCE DEPARTMENT.

(Draft Telegram.)

FROM discussions with Treasury and Colonial Office over settlement of Iraq Money Order claims, it has emerged that in future clear distinction must be drawn between High Commissioner and Imperial Services under his control which are paid for from money voted by Parliament on the one hand, and Iraq Administration proper paid for out of Iraq revenues on the other.

2. Imperial Government accepts in future no financial responsibility for Iraq Administration, and in particular will not repay any drawings on you by that Administration.

3. They will meet here in sterling any drawings on you by High Commissioner for purpose of providing himself with funds for the Imperial Services, subject to a maximum limit which will be notified to me by the Colonial Office, and which will represent the amount voted by Parliament for those services, less any disbursements in United Kingdom on their account. Provisionally you may take £6,000,000 already entered in your estimates as the amount to which you may safely meet High Commissioner's drawings during 1922-23, and without express authority from me you should not meet drafts beyond it. Final confirmation of this figure will follow.

4. Drawings on you by Iraq Administration for sterling settlement will no longer be practicable, and any for rupee settlement would not be backed by any guarantee from Imperial Government.

5. It will no longer be open to High Commissioner to use drawing on you for sterling settlement as a method of adjusting on behalf of Iraq Administration Money Order commitments incurred by them.

6. In view of altered position I suggest you should discuss afresh with Iraq Administration questions of remittance between Iraq and India and settlement of Money Order transactions.

7. Colonial Office are repeating a copy of this telegram to High Commissioner.

15469

No. 113.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 3.34 p.m., 30th March, 1922.)

TELEGRAM.

30TH MARCH. No. 253. With reference to your telegram 27th March.* Reply to your telegram 14th March, No. 171,† was sent under my telegram 27th March, No. 247.§ As regards your telegram 21st March, No. 197,‖ position is that sale proceeds of Money Orders on India goes into Common Fund, from which Military and Middle East services are financed. If Money Orders had not been sold, a corresponding increase of sale of telegraphic transfers drawn on India would have been (?) essential. Iraq cannot remit the amount either to India or Crown Agents without drawing on you through India by telegraphic transfers which you would then have to meet in any case. In this connexion see my telegram 9th November, No. 656.¶ This also answers your telegram 28th March, No. 218.**—Cox.

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* 6215: not printed. † No. 105. § 14878: not printed. ‖ No. 108. ¶ No. 71.
** 14216: not printed.

16251

No. 114.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 2.35 p.m., 4th April, 1922.)

TELEGRAM.

2ND APRIL. No. 260. Your telegram 1st March, No. 129,* and in continuation of my telegram 27th March, No. 246,† all accounts of expenditure up to 28th February not yet compiled but following figures give position as closely as it can be calculated; High Commissioner £27,500. This only includes monthly Imperial contributions £2,500, Levies £457,528, railway capital expenditure £215,000. This does not include expenditure outside Iraq as expenditure in United Kingdom amounts to £43,000; the saving of £60,000 (?) is not forthcoming on these figures. I will report later about this. Assyrian refugees £205,000, Russian refugees £33,615 (?) to has been expended but vouchers sent War Office.—Cox.

14216

No. 115.

COLONIAL OFFICE to INDIA OFFICE.

[*Answered by No.* 117.]

SIR, Downing Street, 6th April, 1922.

I AM directed by Mr. Secretary Churchill to acknowledge the receipt of your letter of the 24th March, 1922,‡ on the subject of the settlement of Money Order transactions between India and Iraq in respect of the first four months of the financial year 1921/22.

In reply, I am to state for the information of Viscount Peel, that Mr. Churchill is not prepared to authorize the payment of the claims referred to in sterling in this country as the amounts are due from Iraq to India purely as a repayment of monies received and bear no relation to Imperial services for which Imperial funds are voted.

A copy of a telegram from this Office (No. 197 of the 21st March)§ conveying this decision to the High Commissioner was forwarded to your Department.

As a result of further inquiry into the general position of Imperial funds and with representatives of your Department both at the Colonial Office and at the Treasury, when it was pointed out that Imperial funds were not available to meet this charge and that, so far as could be ascertained from the High Commissioner, the Iraq Government were not in a position to remit the sums due, owing to a decision of His Majesty's Government in the latter part of the year that the working deficit on the Iraq Railways must be borne by the Iraq Government and that His Majesty's Treasury could not provide a working balance.

Every effort was nevertheless made by this Office to induce the Iraq Government to effect a settlement before the 31st March, but without success.

As a result of further inquiry into the general position of Imperial funds and having regard to the provision in Estimates, Mr. Churchill was able, however, to make an advance of £400,000 to your Department on account of the High Commissioner's drawings during March for Imperial purposes and this advance, it is understood, enabled Viscount Peel's Ways and Means arrangements to stand.

I am to add that a further communication will shortly be addressed to you on the subject of future drawings by the High Commissioner and the Iraq Government on India, referred to in paragraph 7 of your letter, but meanwhile I am to confirm that, so far as can be foreseen at the moment, the sum of £6,000,000 is the best estimate that can be given of drawings for Imperial purposes in 1922/23.

I am, &c.,
J. E. SHUCKBURGH

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* No. 96. † No. 111. ‡ No. 109. § No. 108.

16622

No. 116.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 8.55 a.m., 7th April, 1922.)

TELEGRAM.

6TH APRIL. No. 277. Your telegram 10th March, No. 158.* Following figures of Port accounts to 31st March, 1921:—

Revenue, 72 lakhs 43,000 rupees; expenditure chargeable to revenue, 55 lakhs 74,000 rupees; expenditure chargeable to capital works, 14 lakhs 14,000 rupees. Hence net surplus revenue over total expenditure is 2 lakhs 55,000 rupees. Revenue booked includes 22 lakhs 61,000 rupees, outstanding claims against military and expenditure booked includes 7 lakhs 27.000 rupees outstanding claims due to military. The net military outstanding liability of 15 lakhs 34,000 rupees has been reduced to 12 lakhs 16,000 rupees by cash payment during April, 1921. In view of proposal to settle all outstanding claims against military by compromise, credit for 12 lakhs 16,000 rupees has been given to Port in Iraq general revenues account for 1920-1921 by debit to outstanding claims against military.—Cox.

17489

No. 117.

INDIA OFFICE to COLONIAL OFFICE.

(Received 12th April, 1922.)

SIR, India Office, Whitehall, London, S.W., 11th April, 1922.

IN reply to your letter of the 6th April,† I am directed to inform you that the Secretary of State for India is unable to admit that the claim for the sterling settlement of the Iraq Money Order transactions for the first four months of 1921-22 is affected either by any question of the purpose for which the money obtained by the Iraq Government from such transactions was used, or by the fact that that Government have not, apparently, funds immediately available locally. If it should prove, when a further reply is received from the High Commissioner, that funds are as a matter of fact available in Iraq, the Secretary of State considers that, in the circumstances explained in Mr. Kisch's letter of the 24th March,‡ he is entitled to ask that a remittance should be made to this country with a view to a sterling settlement. If, however, it should be confirmed that the Iraq Government have no funds available for remittance, Viscount Peel considers that arrangements should be made for the repayment to be effected forthwith by the Imperial Government, such subsequent adjustment being made between them and the Iraq Government as may be thought fit. Mr. Churchill will no doubt agree that it is impossible for the Imperial Government to allow the Iraq Government to fail to meet liabilities in respect of past transactions with the Government of India, which, so far as they or the Secretary of State were aware, were conducted under the same conditions as previous transactions, which were governed by the implicit understanding that the Imperial Government was responsible for the Iraq administration and for any services rendered to that administration.

It is also presumed that your Department will arrange, by remittance from Iraq or otherwise, for early payment of £115,250, the outstanding balance of the pre-1921-22 Money Order claim (for which the Imperial Government has already accepted liability in sterling, *vide* Treasury letter of 28th February§) this amount being the residue of the sum of £236,250 referred to in the last paragraph of your letter of 4th March‖ after payment by the Crown Agents on the 31st March of the sum of £129,000, *vide* Memoranda from your Department of 3rd April and of 4th April.¶ It would be convenient if settlement of the outstanding claims could be made by the time when payment would in the ordinary course have been made for the March, 1922, Iraq drawings (in respect of which £400,000 has been advanced by your Department under the circumstances explained in your letter under reply).

* No. 103. † No. 115. ‡ No. 109. § No. 95. ‖ No. 97. ¶ 14216 and 14217; not printed.

103

I am to ask for the favour of a very early reply to Mr. Kisch's letter of the 29th March,* in order that the Government of India may be informed at the earliest opportunity of the altered position with reference to Iraq drawings. A copy of this letter has been sent to the Treasury.

I have, &c.,
H. F. HOWARD,
Controller of Finance.

19407

No. 118.

AIR MINISTRY to COLONIAL OFFICE.

(Received 25th April, 1922.)

[*Answered by No.* 122.]

Air Ministry, Adastral House,
SIR, Kingsway, London, W.C.2, 24th April, 1922.

WITH reference to Colonial Office letter of the 21st March last,† relative to the accounting arrangements to be made in respect of troops employed in Iraq and Palestine after the respective dates of transfer to Air Force control, I am commanded by the Air Council to acquaint you, for the information of the Secretary of State for the Colonies, that they accept in principle the procedure set out in paragraph 3 of Treasury letter of the 12th January last‡ as applying to both white and Indian troops, subject to the concurrence of the War Office and India Office.

The Council suggest that before any detailed arrangements for giving effect to the procedure are communicated, it would be desirable that the officers of the four Departments concerned should confer upon the matter.

I am, &c.,
H. McANALLY.

19156

No. 119.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 24th April, 1922.)

(No. C.O. 215. 6/53.)

SIR The Residency, Baghdad, 12th April, 1922.

I HAVE the honour to enclose for your information copies of the marginally noted correspondence relating to the amount due from the Iraq Government on account of money order transactions between Iraq and India for the months of July and August, 1921, and to request you to pay to the Secretary of State for India, on demand, the sum of £156,693 4s. 6d., in settlement of this account.

1. Letter No. 436F, dated 8th February, 1922 from the Government of India, Finance Department, Delhi, to H.E. The High Commissioner for Iraq, Baghdad.
2. Letter No. I.O.57, dated 13th [12th] April, 1922, from the Secretary to High Commissioner Baghdad, to the Secretary to the Government of India, in the Finance Department, Simla.

In this connexion, please see my telegram, No. 253, dated 30th March, 1922,§ regarding the inability of Iraq to remit these amounts direct.

I have, &c.,
P. Z. COX,
High Commissioner for Iraq.

* No. 112. † No. 107. ‡ No. 85. § No. 113.

Enclosure 1 in No. 119.

LETTER No. 436-F., DATED 8TH FEBRUARY, 1922, FROM THE ASSISTANT SECRETARY TO THE GOVERNMENT OF INDIA, FINANCE DEPARTMENT, DELHI, TO HIS MAJESTY'S HIGH COMMISSIONER FOR IRAQ, BAGHDAD.

IN continuation of my letter No. 137-F., dated the 12th January, 1922, I am directed to state that the Government of India's claim in respect of money order transactions between Iraq and India for the month of July, 1921, amounts to Rs. 24,84,000, equivalent to £159,426. It is understood that the Deputy Accountant General, Posts and Telegraphs, Baghdad, places the net liability of the Iraq Government at Rs. 18,77,000 for June, and Rs. 24,41,000 for July, against Rs. 18,50,635 and Rs. 24,84,000 respectively reported by our Accountant General, Posts and Telegraphs. The Government of India will be obliged if your acceptance of the claim either on the figures reported by us or on those based on Iraq Posts and Telegraphs Accounts is intimated to them and to the Colonial Office at an early date. The small difference between the two sets of figures can be subsequently adjusted through the monthly account current without troubling the India Office and the Colonial Office in the matter.

Enclosure 2 in No. 119.

(No. I.O. 57. 6/53.)

Secretariat of His Excellency the High Commissioner for Iraq,
Baghdad, 12th April, 1922.

SIR,

I AM directed to acknowledge receipt of your letter dated 8th February, 1922, No. 436-F , regarding the net amount due from the Iraq Government on account of money order transactions for the month of July, 1921, and to state that the Iraq Government accepts liability for the sum of Rs. 24,41,000, due in respect of money order transactions between Iraq and India for the month of July, 1921.

The sum of Rs. 24,41,000 represents the aggregate of India's net disbursements in respect of Rupee Foreign Money Orders issued by the Government of Iraq in July, 1921, and paid by India in the months of July and August, 1921, in the following proportions :—

July, 1921, Rs. 15,24,500 at 15½d. ... ... £98,457 5s. 9d.
August, 1921, Rs. 9,16,500 at 15¼d. ... ... £58,235 18s. 9d.

and the sterling amount to be paid in settlement is therefore £156,693 4s. 6d., being the aggregate of the sterling equivalent of the above two rupee amounts at the official rate of exchange for the respective months.

The Secretary of State for the Colonies is being requested to pay £156,693 4s 6d., the equivalent of that amount at the official rate of exchange for the respective months, on demand to the Secretary of State for India.

I have, &c.,
B. H. BOURDILLON.
Secretary to His Excellency The High Commissioner for Iraq

The Secretary to the Government of India,
Finance Department, Simla.

15469

No. 120.

COLONIAL OFFICE to INDIA OFFICE.

[*Answered by No.* 128.]

SIR,

Downing Street, 27th April, 1922.

WITH reference to Mr. Kisch's letter of the 29th March,* on the subject of Iraq drawings on India, and to the informal discussion that took place at the Treasury on the 24th instant on the same subject, I am directed by Mr. Secretary Churchill to invite your attention to the letter from this Office of the 24th April,† from which Viscount Peel will have observed that this Department will accept responsibility for refund of Bills drawn by the High Commissioner on the Government of India up to a limit of £2,350,000 in the period to the 31st August next.

* No. 112. † 15699: not printed.

2. As regards the draft telegram enclosed in Mr. Kisch's letter of the 29th of March, I am to say that Mr. Churchill agrees generally in its terms; but in view of the necessity for distinguishing a Bill or Telegraphic Transfer drawn by the High Commissioner from one drawn by the Iraq Administration, and in view also of the amount available for Imperial requirements in Iraq up to the 31st August next having now been finally determined, he would suggest that the last two sentences of paragraph 3 should now be omitted and the following substituted for them :—"To distinguish High Commission from Iraq drawings, the former will bear signature of Financial Secretary to High Commissioner and counter-signature of High Commissioner himself. Amount to which you may safely meet High Commissioner's drawings during the period 1st April to 31st August, 1922, is £2,350,000, or, say, 352 lakhs, and without express authority from me you should not meet drafts beyond that amount. Figure for remaining period of financial year, 1922-23, will follow in due course."

3. With regard to paragraph 5 of the draft telegram, Mr. Churchill recognizes that Iraq cannot remit funds to India, except by the adoption of unnecessarily cumbrous and expensive methods, unless such remittances can be made through the High Commissioner. Mr. Churchill will have no objection to the sale in Baghdad of the High Commissioner's Bills or Telegraphic Transfers on India to the Iraq Government for cash in order to enable that Government, without undue inconvenience, to effect settlement of its own transactions with India; but in no case would the High Commissioner be authorized to sell such a Bill without receiving in the first instance the cash equivalent from Iraq. He would suggest, therefore, that paragraph 5 of the draft should be amended by the addition of the following :—"That there would be no objection to Iraq buying for cash a Bill drawn by High Commissioner on India and using such Bill for settlement. High Commissioner has no authority, however, to sell Bills to Iraq except in exchange for cash received."

4. Subject to the above remarks, Mr. Churchill is prepared to accept liability for all Bills or Telegraphic Transfers bearing the signature of the Financial Secretary to the High Commissioner and counter-signature of the High Commissioner himself up to, but not exceeding the limit of £2,350,000 in the first instance and of such further limits as may be notified to you by this Office from time to time.

5. I am to suggest, if Viscount Peel sees no objection, that the proposed telegram to the Government of India should be repeated to Baghdad from India. On learning that the telegram has been dispatched, Mr. Churchill will cause a telegram to be sent to Sir Percy Cox inviting his attention to the India Office telegram and to the instructions which have already been sent to him in this connexion by despatch.

I am, &c.,
H. YOUNG,
For the Under-Secretary of State.

21252

No. 121

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 2.52 p.m , 4th May, 1922.)

TELEGRAM.

[*Answered by No.* 127.]

4TH MAY. No. 328. Your telegram 29th April, No. 261,* cash in hand on 1st April : (a) Iraq Government 97 lakhs: (b) Railways 18 lakhs; (c) High Commissioner 15 lakhs.—COX.

19407

No. 122.

COLONIAL OFFICE to AIR MINISTRY.

SIR,

Downing Street, 5th May, 1922.

I AM directed by Mr. Secretary Churchill to acknowledge the receipt of your letter of the 24th April,† and to inform you that he concurs in the Air Council's suggestion that the officers of the four Departments concerned should confer on the subject of the accounting arrangements to be made in respect of troops employed in Iraq and Palestine.

* 17489: not printed. † No 118.

2. Mr. Churchill has directed Mr. R. V. Vernon and Mr. F. J. Howard to attend on behalf of this Department, and I am to request that you will be good enough to notify me in due course of the time and place of the meeting.

I am, &c.,
J. E. SHUCKBURGH.

17489

No. 123.

MR. F. J. HOWARD (Colonial Office) to MR. A. E. WATSON (Treasury) and MR. R. H. A. CARTER (India Office).

[*Answered by Nos.* 124 *and* 125.]

DEAR [WATSON,] [CARTER,] Downing Street, 6th May, 1922.

As arranged at our meeting recently, I enclose a draft telegram* to the High Commissioner for Iraq as a result of our discussion, and shall be glad if you would let me know by return whether you agree to its terms.

Yours, &c,
F. J. HOWARD.

17489

No. 124.

MR. A. E. WATSON (Treasury) to MR. F J. HOWARD (Colonial Office).

DEAR HOWARD, Treasury Chambers, Whitehall, 9th May, 1922.

TREASURY agrees your proposed telegram* to High Commissioner, Iraq, on the subject of payments due by Iraq Government.

Yours, &c.,
A. WATSON.

17489

No. 125.

MR. R. H. A. CARTER (India Office) to MR. F. J. HOWARD (Colonial Office).

DEAR HOWARD, India Office, London, S.W.1, 10th May, 1922.

YOUR demi-official letter of the 6th May,† forwarding copy of a draft telegram to the High Commissioner, Baghdad.

I understand, as a result of Baxter's telephone conversations yesterday afternoon with Ayton and yourself, that the figure of 82 lakhs is merely an approximation for the purpose of the Iraq Administration's dealing with the High Commissioner, and that it is the intention of the Colonial Office to meet our claims in sterling at the agreed amounts even though the remittance of 82 lakhs should be insufficient for the purpose.

I understand, also, that you, like ourselves, have had no definite information that Money Order repayments have actually been made monthly since July, 1921, and that you have no objection, in view of this, to the insertion of the word "presumably" betweeen "have" and "been" (in the 13th line from end of the draft.)‡ The clause will then read "since repayments have presumably been made monthly since July last."

Subject to the above we agree to the terms of the draft telegram.

You do not of course expect us to express any views on the suggestion that the Eastern Bank should become the Iraq State Bank.

Yours, &c.,
R. H. A. CARTER.

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* See No. 127 † No. 123. ‡ This alteration was made in the telegram sent (No. 127).

22402

No. 126.

INDIA OFFICE to COLONIAL OFFICE.

(Received 12th May, 1922.)

SIR, India Office, Whitehall, London, S.W.1, 11th May, 1922.

WITH reference to previous correspondence on the subject of Money Order transactions between India and Iraq during 1921-22, I am directed by the Secretary of State for India to transmit for information a copy of a telegram received from the Government of India reporting the agreed amount due in respect of these transactions for July, 1921. It will be recalled that the figure of £159,426 notified to your Department in paragraph 6 of this Office letter of the 24th March,* was a provisional estimate only. The final figure now given is £156,693 4s. 6d., making the total due for the four months April to July (as shown in the margin) £422,240 16s. 9d.

	£	s.	d.
April	45,079	3	4
May	97,290	6	5
June	123,178	2	6
July	156,693	4	6
	£422,240	16	9

I have, &c.,
R. H. A. CARTER,
for Financial Secretary.

Enclosure in No. 126.

FROM VICEROY, FINANCE DEPARTMENT, SIMLA, to SECRETARY OF STATE FOR INDIA.

(Received 8 a.m., 10th May, 1922.)

TELEGRAM.

9TH MAY. Please refer to our telegram dated 18th January, 1922, No. 213F. Iraq Money Order Transactions. Final figures for July last, £156,693 4s. 6d. High Commissioner has asked Colonial Office to pay you sum on demand.

17489

No. 127.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 11.10 a.m., 13th May, 1922.)

TELEGRAM.

[*Answered by No.* 135.]

No 278. Your telegram 27th March, No. 246, your telegram of 4th May, No. 328† cash position. Result of omission to refund drawings on His Majesty's Government for purely Iraq purposes in accordance with arrangements laid down in my telegram 13th August, No. 318,‡ is that Iraq is now using for her own purposes cash belonging to His Majesty's Government. To rectify this unauthorized proceeding it is essential that Iraq should itself arrange for its own cash requirements, but I am prepared to do my best to assist. Various points arising in this connexion will be dealt with separately, but most urgent matter is India's outstanding claim on account of money orders, which now it has been agreed with India shall be met in this country. Amount required is 82 lakhs, namely 18 due for period to 31st March, 1921, and 64 due for months April, May, June and July last. We have definitely promised to pay these sums to India on behalf of Iraq, and are bound to fulfil that promise. Middle Eastern Vote is not available as Iraq has already overdrawn 98 lakhs, nor are His Majesty's Government prepared to make an advance or to entertain proposal to treat payment as part of long term capital liability. In the circumstances I am compelled to insist on Iraq making payment possible by 1st June next by paying over to High Commissioner at Baghdad before that date 82 lakhs from Iraq's cash balance To provide Iraq with working cash balance required after surrender of 82 lakhs. following procedure suggested: Colonial Office will approach Eastern Bank in London saying Bank will be asked in Baghdad for

* No. 109. † Nos 111 and 121 ‡ No 43.

temporary accommodation to Iraq Government of 50 lakhs or such greater sum as together with remainder of present cash balance after payment of 82 lakhs will make up minimum floating cash balance required. Similar request to be made locally by Iraq Government, strongly supported by High Commissioner. Position to be explained to Bank at both ends as arising out of necessity for settling claim of India for settlement of money order debt which will not recur since repayments presumably have been made monthly since July last. There is no necessity to touch on Iraq's general financial position except that Iraq is determined to stand on its own legs, and not to seek help from His Majesty's Government, who will not be invited to give any guarantee. At same time Iraq might offer to make Eastern Bank their State Bank. Until this procedure has been agreed to no communication should be made to Bank at either end.

Will deal with 98 lakhs owing to His Majesty's Government later.—SECRETARY OF STATE FOR THE COLONIES.

23626

No. 128.

INDIA OFFICE to COLONIAL OFFICE.

(Received 18th May, 1922.)

[*Answered by No.* 132.]

SIR, India Office, Whitehall, London, S.W.1, 17th May, 1922.

I AM directed by the Secretary of State for India to refer to Major Young's letter of the 27th April,* regarding the settlement of Iraq drawings on India in the current year, and to enclose for the information of Mr. Secretary Churchill copy of a telegram on this subject which has been addressed to the Government of India.

2. It will be observed that the telegram incorporates the amendments suggested by Mr. Churchill, with certain exceptions to which, it is understood demi-officially, he has no objection. Words have been inserted (in paragraph 2 of the telegram) to make it clear that Telegraphic Transfers as well as Bills are to be authenticated by the names of the High Commissioner and his Financial Secretary. In the same paragraph, the words "or, say, 352 lakhs," have been omitted after the figure "£2,350,000," in order that the Government of India may be able to work to one definite maximum. The sentence "High Commissioner has no authority however to sell Bills to Iraq except in exchange for cash received" has been omitted, and the wording of the preceding sentence slightly altered, as otherwise it might have been inferred that there was some onus on the Government of India of ensuring that Bills drawn by the High Commissioner and bought by Iraq had in fact been sold in exchange for cash received. It is understood that the substance of this warning will instead be conveyed by the Colonial Office direct to the High Commissioner in the telegram mentioned at the end of the letter under reply.

3. With reference to paragraph 4 of the letter under reply, it is understood that the words "subject to the above remarks" are not intended to introduce any further limitation on the liability accepted by Mr. Churchill, beyond those expressly stated in the same sentence, viz., that Bills or Transfers shall be duly authenticated by signatures, and that their total shall not exceed the prescribed limit.

4. Viscount Peel will be glad to receive official confirmation of Mr. Churchill's concurrence in the terms of the telegram as sent, and of the correctness of the assumption stated in paragraph 3 above.

I have, &c.,
C. H. KISCH.

Enclosure in No. 128.

FROM THE SECRETARY OF STATE FOR INDIA, to VICEROY, FINANCE DEPARTMENT.

TELEGRAM.

16TH MAY. C. 1895. From discussions with Treasury and Colonial Office over settlement of Iraq Money Order claims, it has emerged that in future clear distinction must be drawn between High Commissioner and Imperial Services under his control which are paid for from money voted by Parliament on the one hand and Iraq Administration proper paid for out of Iraq Revenues on the other.

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* No. 120.

2. Imperial Government accepts in future no financial responsibility for Iraq Administration and in particular will not repay any drawings on you by that Administration. They will meet here in sterling any drawings on you by High Commissioner for purpose of providing himself with funds for the Imperial Services, subject to a maximum limit which will be notified to me by the Colonial Office and which will represent the amount voted by Parliament for those services less any disbursements in United Kingdom on their account. To distinguish High Commissioner's from Iraq drawings, the former will bear signature of Financial Secretary to High Commissioner and counter-signature of High Commissioner himself, and telegraphic transfers will contain similar indication. Amount to which you may safely meet High Commissioner's drawings during the period 1st April to 31st August, 1922, is £2,350,000 and without express authority from me you should not meet drafts beyond that amount Figure for remaining seven months of financial year 1922-23 will follow in due course, but it is likely that total figure for whole year will not be very different from £6,000,000 entered in your estimates.

3. Drawings on you by Iraq Administration for sterling settlement will no longer be practicable, and any for rupee settlement would not be backed by any guarantee from Imperial Government.

4. It will no longer be open to High Commissioner to use drawings on you for sterling settlement as a method of adjusting on behalf of Iraq Administration Money Order commitments incurred by them; but there will be no objection to Iraq buying for cash from High Commissioner a bill drawn by him on India and using such bill for settlement. In view of altered position, I suggest you should discuss afresh with Iraq Administration questions of remittance between Iraq and India, and settlement of Money Order transactions. Please keep me informed of any arrangements made.

5. Please repeat this telegram to High Commissioner, Baghdad, with whom Colonial Office are communicating on this subject.

24995

No. 129.

MR. R. H. A. CARTER (INDIA OFFICE) to MR. F. J. HOWARD (COLONIAL OFFICE).

(Received 25th May, 1922.)

DEAR HOWARD, India Office, London, S.W.1, 23rd May, 1922.

THE enclosed Summary Statement, showing the progress of settlement of the India-Iraq Money Order Transactions relating to the period prior to 1st April, 1921, may be of interest for record on your file. Copies are being sent also to the Treasury and War Office.

A second copy is enclosed in case you may wish to send one to Baghdad for information.

Yours, &c.,
R. H. A. CARTER.

Enclosure in No. 129.

INDIA-IRAQ MONEY ORDER TRANSACTIONS (TO 31 MARCH, 1921.)

Summary Statement showing progress of settlement down to 31st March, 1922.

I. *Original claim*, as agreed at Baghdad.
(*Vide* High Commissioner's telegram to Colonial Office, dated 18th November, 1921).

From War Office	£3,920,000
,, Civil (including £200,000 from Suleimaniyah)	4,420,000*
Total ...	£8,340,000*

* Of this, £790,000 was not to be paid in sterling by His Majesty's Government, but represented a sum (Rs.85 lakhs) to be paid to India by Iraq (*vide* last sentence of Section 6 of Baghdad's telegram of 18th November, 1921.)

II. *Amendment to claim.*

(*a*) The amount of claim for the period prior to 1st April, 1919, was arrived at as follows:—

Iraq surplus paid to His Majesty's Government ...	£600,000
Interest on above	80,000
Total ...	£680,000
which (at 1s. 4d. the Rupee)	= Rs.102 lakhs
Deduct (sum due from India)	Rs. 24 lakhs
Balance due to India	Rs. 78 lakhs
which (at 1s. 6d. the Rupee)	= £580,000

(*b*) It was decided that India should not be credited with the £80,000 interest, and that the sterling indebtedness should be calculated by a rather different method. This part of the claim, as amended, was thus calculated:—

Iraq surplus paid to His Majesty's Government ...	£600,000
Deduct (due from India) Rs.24 lakhs, which (at 1s. 4d. the Rupee)	= £160,000
Balance (sterling amount of pre-1919-20 claim) ...	£440,000

(*c*) The claim, as amended, then stood as follows:

From Civil	To 31st March, 1919	£440,000	
	1919-20	230,000	
	1920-21	2,820,000	(for sterling settlement)
		790,000	(for Rupee settlement, Rs.85 lakhs).
Total Civil ...		£4,280,000	(i.e., £3,490,000 *plus* Rs.85 lakhs).
From War Office		£3,920,000	
Total ...		£8,200,000	

III. *Treasury acceptance of claim.*

The following are extracts from Treasury letter of the 28th February, 1922:—

". . . . . My Lords have now decided to accept the claim . . . . . that the advances should be repaid in sterling on the basis of the rupee exchange rates ruling at the time the advances were made."

" . . . . . The amount now claimed is as follows:—

From His Majesty's Government	£3,490,000
From Iraq	85 lakhs

. . . . . My Lords are unable to agree a final figure as the amount due pending their consideration of the full financial accounts which the High Commissioner has been instructed to furnish. They are, however, prepared to deal with the claim on the basis of the information at present available and to authorize payment, subject to Parliamentary approval of the Supplementary Estimate involved, within the current financial year, on the understanding that such adjustments as may be found to be necessary when more complete information is available will be made."

In reply, as assurance was given in India Office letter to Treasury of the 6th March, 1922, that payment would be accepted "on the understanding that, in the event of further information showing that the amount due to the Government on account of these transactions differs from the sums paid under the present settlement, the necessary adjustment will be made."

IV. *Payments received* have been as follows:—

Claim against War Office		£3,920,000
Received from War Office (14th November, 1921)	£1,875,000	
" " (5th January, 1922) ...	1,000,000	
" " (18th January, 1922)...	1,000,000	
" " (24th March, 1922) ...	45,000	
Total ...		£3,920,000
Balance due from War Office		Nil.

Sterling claim against Civil				£3,490,000 0 0
Received from Colonial Office:—				
(6th March, 1922)	£709,131	6	3	
(30th March, 1922)	798,993	13	9	
Received from Crown Agents:—				
(6th March, 1922)	£603,750	0	0	
(30th March, 1922)	1,141,875	0	0	
(31st March, 1922)	121,000	8	6	
				£3,374,750 8 6
Sterling balance due on account of Civil				£115,249 11 6

Notes:—

(i) The amount of Rs. 85 lakhs, of which settlement is to be made locally, has been left out of account in the above table.

(ii) The odd amounts paid by the Colonial Office and Crown Agents have arranging to effect payment by a variety of methods.

(iii) The War Office have pointed out two minor details in respect of which the amount payable by them may require amendment; but the total amount due to India will not be affected by these, and adjustment (if any) would appropriately be made between the War Office and Colonial Office direct.

V. *Present position* (27th April, 1922.)

There is a balance still due, under "Civil," of £115,249 11s. 6d. This is a part of the amount admitted in Treasury letter of 28th February, 1922, as due from His Majesty's Government; but the Treasury and Colonial Office consider that Iraq ought to be able to find this amount, and are at present pressing Iraq to arrange to make the requisite remittance.

India Office,
27th April, 1922.

23626

No. 130.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 5.35 p.m., 25th May, 1922.)

TELEGRAM.

[*Answered by Nos.* 133 *and* 141.]

25TH MAY. No. 301. With reference to India Office telegram to Viceroy, Finance Department, 16th May,* repeated to you, it is very important that under no circumstances should High Commissioner sell to Iraq Bills of Exchange or Telegraphic Transfers on India except for immediate cash payment. Any such payments must be reported to me and used only for approved Imperial services. Telegraphic Transfers should include names of Financial Secretary and High Commissioner to distinguish them from Iraq drawings. £2,350,000 represents maximum limit High Commissioner drawings on India to 31st August from 1st April last.—SECRETARY OF STATE FOR THE COLONIES.

* Enclosure in No. 128.

29337

No. 131.

CONFERENCE HELD AT THE AIR MINISTRY ON 26TH MAY, 1922, TO DISCUSS CERTAIN ASPECTS OF FINANCIAL ARRANGEMENTS IN CONNEXION WITH IRAQ AND PALESTINE, BETWEEN REPRESENTATIVES OF THE WAR OFFICE, COLONIAL OFFICE, INDIA OFFICE AND THE AIR MINISTRY.

Present:—

Mr. C. F. Watherston,	War Office.
Mr. R. V. Vernon, Mr. F. J. Howard.	Colonial Office.
Mr. W. Robinson,	India Office.
Mr. Young, Mr. L. V. Meadowcroft, Mr. C. G. Caines.	Air Ministry.
Mr. W. E. L. Courtney,	Secretary.

IN opening it was made clear that any agreement reached was entirely provisional and subject to confirmation in official correspondence.

A brief discussion led to tentative agreement upon the following points:—

1. *Iraq.—Provision of Funds.*

For the first six months the Army in Iraq will continue as now to draw funds from the High Commissioner, notifying the Colonial Office and the Air Ministry of sums advanced to the Royal Air Force. For the second half year the Royal Air Force will draw upon the High Commissioner, debiting the War Office with amounts advanced to the Army Paymaster.

The debit would be cleared upon receipt of the final War Office claim, the balance remaining after deducting these sums, and the advances referred to in paragraph 2 being recovered from the Colonial Office and paid over to the War Office.

2. *Iraq.—Advance Payments.*

On the 15th of the second month of each quarter the Colonial Office will on demand make quarterly advances to the Air Ministry, based on one-fourth the estimated total provision, less those advances locally obtained.

The Air Ministry will include in their demands the sums required by the War Office for Army Services (allowing for the advances obtained locally as in paragraph 1) and for payments on account to the India Office in respect of disbursements by the Indian Government. The War Office will notify the Air Ministry of their requirements in sufficient time to enable the demand on the Colonial Office to be preferred on the dates specified above.

Mr. Meadowcroft promised that he would endeavour to arrange for the "passing-on" of the War Office credit immediately upon receipt of the advance. Mr. Robinson pointed out the extreme necessity of this in view of the peculiar financial exigencies at the India Office, where large outgoings are to be expected at the termination of the quarter.

3. *Palestine—Provision of Funds.*

The Colonial Office representatives agreed that there was no objection to the continuance of the present arrangement under which funds required locally were drawn from the Army Command Paymaster, Egypt, and repaid by the Air Ministry to the War Office.

This arrangement should, therefore, be continued pending any directions to the contrary by the Treasury.

4. *Palestine—Advance Payments.*

The arrangements for advance payments by the Colonial Office will be similar to those outlined in paragraph 2 for Iraq, except that no deduction in respect of local advances by the High Commissioner will be necessary.

5. *Disbursements by the Government of India in respect of services in Iraq and Palestine.*

Mr. Watherston explained that provision had been included in Army Estimates for Depot Charges, Land Transport in India, etc. In respect of services in Iraq for the whole of 1922-23, but not as regards Palestine, provision for these services in the latter country having been included in the Estimate furnished by the War Office for Indian requirements in Palestine.

He agreed that the cost of supply services would not be covered by the provision referred to, but was provided for separately as part of the cost of the units, etc.

He was not certain whether Depot, etc., charges for works labour was included or excluded, but stated that he would ascertain.

Mr. Watherston and Mr. Robinson drew attention to the fact that it had already been arranged that the India Office should reclaim from the War Office all disbursements by the Indian Government in respect of services in Iraq and Palestine up to the 31st March, 1923.

The question of the detail which would be required in the Indian accounts was then discussed.

It was stated that in order to follow the provision in estimates the Air Ministry would require to sub-divide the expenditure as follows:—

(*a*) Between services relating to Iraq and services relating to Palestine.

Mr. Robinson thought that this could be given in most cases without difficulty.

(*b*) Between services relating to combatant troops, ancillaries and works labour.

It was thought that it might be necessary to sub-divide on a proportional basis.

(*c*) For supply services to indicate the nature of the supply.

Mr. Watherston and Mr. Robinson stated that the Indian Accounts normally included sub-division into the old Army sub-heads.

As regards supplies to Iraq it was agreed that the most convenient course would be to regard supplies despatched up to the 1st October as chargeable to Army Votes, and thereafter to Air Votes, the latter charge to be sub-divided by the Air Ministry on the basis of the capitation rates which it is proposed to adopt.

As regards supplies to Palestine, which in theory became an Air Force liability as from the 1st April, 1922, it was stated that separate consideration might be necessary.

As the foregoing might not cover all the points involved, Mr. Watherston and Mr. Robinson agreed to consult as to the detail to be shown in the accounts.

It was explained that sea transport of Indian personnel and supplies might be included in part in the Indian accounts, and in part in the accounts of the Shipping Department of the Board of Trade, but no difficulty was apprehended on this account, as apportionment of the charges between the Votes concerned would in any case have to be on an approximate basis.

6. *Forecasts of Expenditure.*

Mr. Meadowcroft stated that the Air Ministry would prepare forecasts monthly after the 30th June.

Mr. Watherston stated the War Office forecasts were prepared quarterly for the first six months of the year and monthly thereafter. He stated, and Mr. Robinson agreed, that forecasts of the Indian expenditure were rendered to synchronize with the War Office forecasts.

As forecasts for the first quarter were not of very great value, it was agreed that the Air Ministry should forward forecasts embodying the War Office forecasts, which would in turn embody the Indian forecasts as from the 30th September, but that prior to that date each Department would notify the Colonial Office of any probable variation affecting the estimates.

The question as to whether forecasts for the Indian troops would be rendered by the War Office was discussed, but it was agreed to leave it open for the present, though Mr. Watherston stated that as the War Office prepared the estimate they would probably agree to furnish the forecasts at any rate for the first six months.

He stated that they would also probably agree to furnish forecasts for Indian labour.

He agreed that the War Office forecasts would be furnished in sufficient detail to prevent the possibility of overlap with those of the Air Ministry.

7. *Presentation of Claim on the Colonial Office.*

It was agreed that the final claim should be prepared by the Air Ministry, who would incorporate the War Office claim and make the necessary adjustments with that Department.

As the Colonial Office Appropriation Account has to be presented at an earlier date than those of the Army and Air service, Mr. Vernon promised to examine the statutory position.

K

It was not thought possible that the Middle East portion of the Army and Air Accounts could be closed until the whole of each account was closed. Mr. Vernon thought that the proper solution would be to obtain power to close the Middle Eastern Services Account on the same date as the accounts of the Fighting Services. The Colonial Office Account would not be affected.

23626

No. 132.

COLONIAL OFFICE to INDIA OFFICE.

Downing Street, 27th May, 1922.

SIR,

I AM directed by Mr. Secretary Churchill to acknowledge the receipt of your letter of the 17th May,* and to inform you that he concurs in the terms of the telegram addressed to the Government of India on the 16th May† regarding the settlement of drawings by the High Commissioner for Iraq on India in the current year except as regards the reference at the end of paragraph 2 to the figure of £6,000,000 as the probable total of the High Commissioner's requirements.

2. On that point I am to explain that from information received recently from the Air Ministry, it appears that the total requirements in Iraq for Military and Air Services in the twelve months ending 31st March next will be about £3,500,000. Payments locally on account of Indian troops and other Imperial services are unlikely to exceed a further £1,500,000, so that the total requirements for the year are unlikely to exceed £5,000,000.

3. As regards the third paragraph of your letter I am to say that, since Mr. Churchill recognizes that no onus can rest on the Government of India of ensuring that bills purchased from the High Commissioner by the Iraq Government have been paid for in cash, he agrees that there is no limitation on the liability accepted by him beyond the conditions that Bills and/or Telegraphic Transfers shall be duly authenticated by the signature of the Financial Secretary to the High Commissioner and the counter-signature of the High Commissioner, and that their total shall not exceed the prescribed limit.

I am to enclose a copy of a telegram‡ which has been addressed to the High Commissioner.

I am, &c.,
J. E. SHUCKBURGH.

25744

No. 133.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 11.48 a.m., 28th May, 1922.)

TELEGRAM.

27TH MAY. No. 376. Your telegram 25th May, No. 301,‡ (1) procedure in question was introduced on 1st April; from that date Iraq Government were prohibited from drawing Telegraphic Transfers or Bills on India. To settle her money order transactions with India Iraq Government purchases supply bills from me by cash pre-payments in Baghdad. My despatch 19th May, No. 287,§ (2) in the circumstances my counter-signature on bills and transfers drawn by my Financial Secretary serves no useful purpose, and I trust you have no objection to existing procedure being retained.—Cox.

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* No. 128. † Enclosure in No. 128. ‡ No. 130. § 27664: not printed.

24995

No. 134.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 3.40 p.m., 29th May, 1922.)

TELEGRAM.

[*Answered by No.* 136.]

No. 307. Anxious for reply to my telegram 13th May, No. 278,* cash position. When may I expect accounts called for in my telegram 13th January, No. 19?† —SECRETARY OF STATE FOR THE COLONIES.

26192

No. 135.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 8.20 a.m., 31st May, 1922.)

TELEGRAM.

[*Answered by No.* 138.]

30TH MAY. No. 385. Your telegram 13th May, No. 278.‡

(1) As regards 18 lakhs due to Secretary of State for India for period ending 31st March, 1921, Iraq suggest that this payment should be held over for the following reasons: In Section 2 my telegram 18th November, No. 688,§ Miscellaneous debits adjustable by India were given as 1 crore 44 lakhs. This included 50 lakhs only for cash remittances from Civil Post Office to Field Chest Officers. As a result of further analysis mentioned in Section 4 of same telegram the latter figure should be increased to 1 crore 24 lakhs, so that it is probable that Secretary of State for India has already been overpaid in respect of this period. Controller War Accounts confirms figure of (?) 1 crore 24 lakhs.

(2) Figure of 98 lakhs mentioned by you is presumably quoted from my telegram 27th March, No. 246.‖ This related to period ending 28th February. Corresponding figure to 31st March is also estimated at 98 lakhs, but in both cases these are inclusive not exclusive of amount due to India for Money Orders April to July, 1921.

(3) During 1921-22 Iraq Government cash advances to Railway Department for current local expenditure (both capital and revenue) amounted to 64½ lakhs in addition to 40 lakhs for repayment to India against railway outstanding liabilities on 31st March, 1921. Capital expenditure booked locally during 1921-22 amount due (to) about 32 lakhs. Hence Iraq provided about 32½ lakhs to finance deficit in railway revenue account. As regards the incidence of this see my personal and private telegram of 18th May.¶ Hence Iraq's total overdrawings during 1921-22 on purely Iraq account were about 65½ lakhs. I am discussing your proposals with Iraq Government on this basis only and will report in due course.—Cox.

26403

No. 136.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 5.7 p.m., 31st May, 1922.)

TELEGRAM.

31ST MAY. No. 387. Wireless No. 109, 31st May. With reference to your telegram 29th May, No. 307,** cash position, see my telegram 30th May, No. 385.†† Hope to post accounts by the end of June. Completion delayed by temporary withdrawal of staff from this work for re-organization sanctioned your telegram 24th March, No. 209,‡‡ pending arrival of Smallwood, who assumed duty 28th May.—Cox.

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* No. 127. † No. 86. ‡ No. 127. § No. 75. ‖ No. 111. ¶ 24084: not printed.
** No. 134. †† No. 135. ‡‡ 13493: not printed.

26964

No. 137.

WAR OFFICE to COLONIAL OFFICE.

(Received 6th June, 1922.)

War Office, London, S.W.1, 2nd June, 1922.

THE Secretary of the War Office presents his compliments to the Under Secretary of State for the Colonies and is commanded by the Army Council to transmit for his information a copy of a letter to the Air Ministry on the subject of Middle East Expenditure 1922-23.

Enclosure in No. 137.

War Office, London, S.W.1, 2nd June, 1922.

SIR,

I AM commanded by the Army Council to confirm the arrangements made at a conference held in the Air Ministry on the 26th ultimo, under which mid-quarterly advances are to be made by your Department to meet the estimated expenditure from Army funds in 1922-1923 in connection with the Middle East; the advances to be based on Army Estimates (as modified from time to time by forecasts) plus any sums paid to India outside Army Estimates for services rendered in respect of the Middle East (e.g., charges in India for Indian troops in Palestine, stores and supplies demanded from India by the Air Administration in Palestine and Iraq, etc.), and to be subject to adjustment when the accounts for the year are complete.

The net amount estimated to be due to Army Funds for the year 1922-1923 under this arrangement (exclusive of charges in India for stores and supplies for which no information is of course yet available) is as follows:—

Expenditure included in Army Estimates 1922-1923	£4,930,000	0	0
Advances to India in respect of Indian troops in Palestine ...	144,500	0	0
	£5,074,500	0	0
Less estimated advances in rupees by Civil Administration in Iraq to the British Military authorities for local disbursements up to 30th September, 1922	£1,000,000	0	0
	£4,074,500	0	0

I am to point out that of the total of £4,930,000, over four millions is to be spent in the first half year, and that consequently after allowing for a million to be advanced locally, some three millions will be due before 1st October.

I am accordingly to ask that the sum of £1,500,000 may be transferred to the credit of Army Funds at an early date to cover expenditure during the period 1st April to 30th June, 1922.

On receipt of your agreement to the proposal a Receivable Order for that amount will be forwarded to you.

A copy of this letter is being sent to the Colonial Office.

I am, &c.,
H. J. CREEDY.

The Secretary,
Air Ministry.

26192

No. 138.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 11.50 a.m., 14th June, 1922.)

TELEGRAM.

No. 333. Your telegram 30th May, No. 385.* I am consulting India Office as to adjustment with India. With regard to railway deficit full consideration will be given to your telegram of 18th May private and personal,† but you must not

* No. 135. † 24084: not printed.

assume that His Majesty's Government will accept your views, and in discussion with Iraq Government you should include 32½ lakhs as chargeable to them on this account. In my despatch of 6th June, Confidential,* I am suggesting that we should propose to Treasury reduction of book debt chargeable to Iraq in respect of capital of railways by equivalent of working deficit last year and first quarter of this year paid by Iraq, and perhaps my suggestion meets difficulty.—SECRETARY OF STATE FOR THE COLONIES.

29097

No. 139.

FROM SECRETARY OF STATE FOR INDIA to VICEROY, FINANCE DEPARTMENT.

(Received from India Office in l.f., dated 17th June, 1922.)

TELEGRAM.

15TH JUNE. No. 2283. Paragraph 4. My Financial Secretary's letter of 18th May. Iraq transactions. Following is extract from telegram from Cox to Colonial Office:—

Begins: As regards 18 lakhs due to Secretary of State for India for period ending 31st March, 1921, Iraq suggests that this payment should be held over for the following reasons: In section 2 my telegram 18th November, 688,† Miscellaneous debits adjustable by India were given as 1 crore 44 lakhs. This included 50 lakhs only for cash remittances from Civil Post Office to F.C.O's. As result of further analysis mentioned in Section 4 of same telegram, latter figure should be increased to 1 crore 24 lakhs, so that it is probable that Secretary of State for India has already been overpaid in respect of this period. Controller War Accounts confirms figure of 1 crore 24 lakhs. *Ends.*

Please let me have your observations. 18 lakhs referred to above corresponds with £115,249 referred to on page 3 of memorandum enclosed with my Financial Secretary's letter of 18th May.

2. Please report progress as regards 85 lakhs reserved for local settlement, *vide* Section 3 Baghdad's telegram of 18th November.†

29676

No. 140.

AIR MINISTRY to COLONIAL OFFICE.

(Received 21st June, 1922.)

Air Ministry, Adastral House,
Kingsway, London, W.C.2, 20th June, 1922.

SIR,

IN accordance with the agreement arrived at at the Conference held at the Air Ministry on 26th May last,‡ that quarterly advances should be made to this Department to cover expenditure incurred by the Army and Royal Air Force in respect of Iraq, Palestine and Trans-Jordania, I am directed to forward herewith a Receivable Order for the sum of £2,000,000 (two million pounds), and to request that a transfer of this sum to the credit of Air Funds may be effected at an early date.

The amount is made up as follows:—

(*a*) £1,500,000 required by the War Office as explained in War Office letter of 2nd instant,§ a copy of which, it is understood, has been addressed the Colonial Office.

(*b*) £500,000 required by the Air Ministry, arrived at as follows:—

Provision in Air Estimates, 1922-23	£3,733,000
Estimate of advances to be received locally	£1,800,000
	£1,933,000

One-fourth of £1,933,000 = £483,250 (say £500,000).

I am, &c.,
L. V. MEADOWCROFT.

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* 24084: not printed. † No. 75. ‡ No. 131. § Enclosure in No. 137.

30251

No. 141.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 7.13 a.m., 23rd June, 1922.)

TELEGRAM.

22ND JUNE. No. 443. Your telegram 25th May, No. 301.* Have agreed to proposal of Controller of Currency, India, that in future drawing on India be by telegraphic transfer on Bombay only. Drawings by supply bills will cease.—HIGH COMMISSIONER.

59068

No. 142.

INDIA OFFICE to COLONIAL OFFICE.

(Received 30th November, 1922.)

SIR, India Office, 29th November, 1922.

I AM directed by the Secretary of State for India in Council to transmit to you, for information, a copy of a demi-official letter from the War Office to India Office, and the reply thereto, dated the 1st and 15th November respectively, on the subject of the settlement of Iraq transactions.

I am, &c.,
F. W. DUKE.

Reference to previous correspondence: Letter to the India Office of the 20th April.†

Enclosure 1 in No. 142.

DEAR CARTER, War Office, London, S.W.1, 1st November, 1922.

WITH reference to your note of 21st March, 1922, and subsequent correspondence, in regard to the adjustment of Money Order transactions with Iraq.

You will remember that we made four payments to you totalling £3,920,000 on the figures telegraphed by the High Commissioner, and that it was understood that these payments were subject to adjustment when the complete accounts were available. We are anxious to get this matter finally settled, and should be glad if the complete accounts could now be furnished.

Yours, &c.,
F. WHITTLE.

R. H. A. Carter, Esq.,
India Office,
S.W.1.

Enclosure 2 in No. 142.

MY DEAR WHITTLE, India Office, London, S.W.1, 15th November, 1922.

YOUR demi-official letter of the 1st November, on the subject of Iraq transactions. The final accounts, on which to base an adjustment of your payments on this account, are not yet to hand. The Government of India are pressing on as rapidly as possible the completion of the accounts on their side, and I believe the same is true of the Iraq authorities. Meanwhile, it does not seem that anything more can usefully be done.

It appears likely that any eventual adjustment in respect of your payments will be between the War Office and the Colonial Office direct.

Yours, &c.,
R. H. A. CARTER.

F. Whittle, Esq.,
War Office,
S.W.1.

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* No. 130. † 16165: not printed.

482

No. 143.

TREASURY to COLONIAL OFFICE.

(Received 2nd January, 1923.)

[*Answered by No.* 145.]

SIR, Treasury Chambers, 2nd January, 1923.

1. I have laid before the Lords Commissioners of His Majesty's Treasury Major Young's letter of the 3rd November last, and Sir J. Shuckburgh's letter of the 30th November,* on the subject of financing Imperial Services in 'Iraq by means of funds supplied by India against drafts on the Colonial Office.

2. My Lords note that the Secretary of State has been unable to authorize the payment to India from Parliamentary funds of £422,240, the amount retained by the High Commissioner for 'Iraq from the proceeds of Money Orders during the months of April to August, 1921, and that in the absence of this payment, the sum repaid by the India Office on account of the overpayment in respect of the year 1920-21, has been reduced by a corresponding amount to £171,677. This amount should be credited to Sub-head J. 1, of the Vote for Middle Eastern Services in part reduction of the over-charge at 31st March, 1922. Their Lordships concur in this payment being regarded as an interim adjustment, and an undertaking in the sense of paragraph 8 of Sir J. Shuckburgh's letter may be given to the India Office.

3. My Lords note further that the High Commissioner had overdrawn on the Colonial Office at 31st March last, to the extent of 7½ lakhs, and that he has only now been instructed to recover from the 'Iraq Government on whose behalf the drafts were made. Their Lordships would have presumed that the early maturity of drafts would have called the attention of the Secretary of State to any irregularity on the part of the High Commissioner, and that immediate instructions would have been sent to remit to the Crown Agents under the terms of the arrangement outlined in Sir J. Shuckburgh's letter of the 14th July, 1921,† which was approved by this Board. They realize that the volume and complicated nature of the transactions with 'Iraq may have prevented this ready method of retaining financial control at the Colonial Office, but a greater responsibility thereby rested on the local officer in charge of public funds, and they regret that, although the overdraft became known to the Colonial Office as early as May, the fundamental principle of expenditure under Parliamentary authority does not appear to have been sufficiently impressed upon the High Commissioner before His Grace's telegram of 1st November.‡

4. The duty of instituting, or of sanctioning, safeguards in the control of public money lies with this Board, but these safeguards cannot be effective without the close co-operation of all Departments and officers concerned. In the present instance, Their Lordships are in entire accord with His Grace's instructions for the recovery of the advance made by the High Commissioner to the 'Iraq Government, and for withholding payment to the India Office of the sum of £422,240 retained by the High Commissioner from Money Order receipts on the ground that these sums have no relation to Imperial Services for which money has been voted. The overpayment of a larger sum on account of the deficit at 31st March, 1921, has, however, made this action ineffective as regards the India Office, and the irregularity of the High Commissioner, in utilizing other than Parliamentary moneys at his disposal, has had the effect of depleting public balances.

5. In these circumstances, My Lords must request that measures of closer control be taken and that, if it continues to be necessary in practice for the High Commissioner to retain authority to draw at will on Indian Funds, the amount and allocation to expenditure of each draft be notified to the Secretary of State concurrently.

6. My Lords have already asked for full particulars of disbursements in the Middle East in order that they may consider in what form any additional or unauthorized expenditure may be brought before Parliament, and they will deal in a separate letter with paragraphs 3 to 6 of Sir J. Shuckburgh's letter of the 30th November last, on the subject of the deficit on the working of the railways,

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* 52609 and 58603: not printed. † 33774: not printed. ‡ 52609: not printed.

but in the meantime, they presume that the figures given therein supersede those in paragraphs 3 and 4 of Major Young's letter of the 3rd November last. In that case, no portion of the sum retained from the proceeds of Money Orders has been used for capital expenditure on the railways or for the payment to the High Commissioner alluded to in the earlier letter, and a cash balance of 18 lakhs remained in the hands of the Railway Administration on 1st April last. This balance appears to Their Lordships to be unduly high, and they would be glad if the Secretary of State would give instructions for a remittance from this sum in order to provide for a further adjustment with the India Office.

I am, &c.,
R. S. MEIKLEJOHN.

46690

No. 144.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 4.49 p.m., 20th September, 1923.)

[*Answered by No.* 146.]

TELEGRAM.

No. 512 of 19th September. My telegram No. 165 of 8th March and my despatch of 2nd March No. 226.* Iraq Accountant General reports that additional credits and debits are now being passed to him by Controller of War Accounts, India, in respect of pre-settlement period, considerable amounts being involved. Effect of these late adjustments will be to increase deficit considerably, but amount of increase cannot yet be estimated as charges have not been examined, further items are expected from India. The additional credit and debit so far received result in increase of deficit by 18 lakhs of rupees. This will affect the position as reported in my despatch 2nd March, and I will report fully when complete information is available.—HIGH COMMISSIONER.

482

No. 145.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 148.]

SIR, Downing Street, 3rd October, 1923.

I AM directed by the Duke of Devonshire to refer to your letter of the 2nd of January, 1923,† on the financing of Imperial Services in 'Iraq by means of funds supplied by India against drafts on the Colonial Office.

2. In the light of subsequent developments since the date of your letter, I am to offer the following remarks on the kindred questions of the control exercised over the delegation to the High Commissioner of authority to draw on India for the funds required for Imperial Services in 'Iraq, and the position to date as between His Majesty's Government and the Governments of India and 'Iraq in respect of past transactions.

3. Under the arrangement in force in 1921-22, the control by the High Commissioner over drawings on India was largely nominal, the actual transactions being undertaken by the Civil Administration of 'Iraq, who kept the accounts of expenditure on Imperial Services in that year. The total amount of the drawings was regarded as having been drawn for Imperial requirements and was within the total amount provided in the original and supplementary Estimates for Middle Eastern Services for that year. No overdraft was definitely revealed until the receipt of accounts showed that the actual expenditure incurred on authorized services was much less than had been estimated. As from 1st April, 1922, full control of all drawings on India for Imperial requirements was expressly reserved to the High Commissioner, who from that date became directly responsible to the Secretary of State for accounting for expenditure in 'Iraq on Imperial Services, and for all cash balances, with the exception for the moment of part of the cash

* 12464 and 13492: not printed. † No. 143.

balance held by the 'Iraq Government on behalf of the Secretary of State on 31st March, 1922, which was temporarily retained by 'Iraq in place of being handed over to the High Commissioner. The question of securing an early closing of the account formerly maintained by the 'Iraq Government with the Secretary of State has been kept in view, and as accounts of expenditure incurred by the Government of 'Iraq to 31st March, 1922, on the 'Iraq Railways and other outstanding services have now reached this Office, His Grace proposes, as soon as the examination of those accounts has been completed, to communicate with the High Commissioner, with a view to the surrender by the 'Iraq Government Account of the unexpended balance of cash in the hands of that Government.

4. As regards the further question of the position as between His Majesty's Government and the Governments of India and of 'Iraq in respect of past transactions, the position is somewhat complicated as the result of certain adjusting transactions which were effected subsequently to the settlement made with India in March, 1922, in connexion with the claim of the Government of India in respect of funds supplied to the Civil Administration of 'Iraq in the period to 31st March, 1921. The claim of India was at that date provisionally fixed at the undermentioned amounts as set out in your letter to this Office of the 28th of February, 1922,* viz. :—

From His Majesty's Government, £3,490,000.

From 'Iraq (Rupee debt for settlement locally), Rs. 85 lakhs.

Payment of the sum of £3,490,000 was to be effected by the Government of 'Iraq remitting the sum of 302 lakhs, and by the Colonial Office paying the difference between the sterling equivalent of that sum and the full claim of £3,490,000. The actual settlement effected in March, 1922, fell short, however, of the full payment of £3,490,000 by a sum of 18 lakhs (£115,249), which 'Iraq failed to remit.

Subsequently, it appeared that India's claim (£3,490,000), had been overstated to the extent of Rs. 74 lakhs of which the sterling equivalent was £709,166, but through the short payment of 18 lakhs referred to above the actual refund due from India, subject to any further adjustments which might be found to be necessary when the accounts had been finally examined (Treasury, 23rd October, 1922,†) was reduced to 56 lakhs of which the sterling equivalent was £593,917. The sum actually repaid by the India Office on account of the overpayment was, however, limited to a sum of £171,677 by the deduction of a sum of £422,240 in respect of 'Iraq's debt to India for money order transactions in the period April to August, 1921, the repayment of £171,677 being regarded as an "interim adjustment" as stated in your letter of 2nd January, 1923.

In connexion with the treatment as a matter of account of the refund of £171,677, I am to take this opportunity to refer to your letter of the 18th of December, 1922,‡ and to state that in accordance with the directions then given, the sum of £54,375 was applied to adjust the amount by which the sterling equivalent of 174 lakhs (part of 'Iraq's debt of 302 lakhs) paid to India exceeded the provision made under Sub-head of the Vote for Middle Eastern Services 1921-22, the balance of £117,302 being paid into the Exchequer as an Extra Receipt of the Vote.

5. Since the date of the "interim adjustment" of November, 1922, the position as between His Majesty's Government, and the Governments of India and of 'Iraq has been affected by the cash payments made on the directions given in Their Lordships' letter of the 21st March last,§ to the Disposals and Liquidation Commission and to the India Office out of the provision made for the 'Iraq Railways in the Supplementary Estimate for Middle Eastern Services, 1922-23 (Sub-heads E and E 1), viz. :—

To Disposals Commission (Rs. 39.01.714) ...	£268,242 16s. 9d.
To India Office	£194,757 3s. 3d.
	£463,000 0s. 0d.

With regard to the payment made to the Disposals Commission, the High Commissioner for 'Iraq has recently intimated that the payment made was in excess of the sum required to be paid to the Commission for stores consumed on the Railways by a sum of Rs. 7.05.787. Accounts of the expenditure incurred by the 'Iraq Government on the Railways in 1921-22, have now reached this Office, and

* No. 95. † 52609: not printed. ‡ 62563: not printed. § 14682: not printed.

the Disposals and Liquidation Commission have been informed that a further communication will be addressed to that Department in regard to the reported overpayment as soon as the accounts from 'Iraq have been completely examined in this Office. On the other hand, the High Commissioner has been notified that the payment to the Disposals Commission included the sterling equivalent of approximately 29 lakhs (Rs. 29,06,932), which was due from the 'Iraq Government for stores consumed and charged in the Railway Accounts to the 31st March, 1921, which formed part of the Accounts of the Civil Administration up to that date. It has been explained to the High Commissioner that, in consequence, the Colonial Office has taken the place of the Disposals Commission as creditor of 'Iraq for the 29 lakhs, and Sir H. Dobbs has been instructed to recover the amount from the 'Iraq Government.

The treatment of the payment of £194,757 3s. 3d. which was made to the India Office, as in part adjustment of 'Iraq's debt to India for Money Order transactions, April to August, 1921, in accordance with the direction given in paragraph 8 of your letter of the 21st of March, 1923, gives the Colonial Office a counterclaim against the Government of India for a corresponding sum in respect of part of the sum of £422,240, withheld by India in effecting the interim adjustment of November, 1922. The sum of £194,757 3s. 3d. would, when recovered, be available for payment to the Exchequer as a further part of the interim adjustment initiated in November last, but, as Their Lordships are aware, the Government of India have now submitted a further claim for £392,616 10s. on account of funds supplied to the Civil Administration, which may increase the amount payable to that Government, and reduce correspondingly the amount to be repaid to the Exchequer.

As regards the India Office claim against 'Iraq for Money Order transactions April to August, 1921, I am to state that credit was afforded by the Government of 'Iraq in the accounts of that Government with the Secretary of State for the months of December, 1921, and February, 1922, for sums amounting to £422,240 16s. 9d., but the receipt was regarded as having no relation to Imperial transactions, and the High Commissioner was instructed to arrange for the 'Iraq Government to settle the account with the Government of India direct. With the acceptance by His Majesty's Government, however, of liability for the loss on working the 'Iraq Railways to 31st March, 1922, it becomes permissible in theory to regard the amount as a legitimate cash advance to meet Imperial requirements, and the sum of £422,240 (less the sum of £194,756 6s. 6d. referred to in the preceding paragraph which has already been dealt with on that basis) as payable to the India Office, a counterclaim against that Department being presented simultaneously for refund of the corresponding sum withheld from the November adjustment for payment to the Exchequer as an Extra Receipt of the Vote for Middle Eastern Services. But the payment to the Disposals Commission for the 'Iraq Railway stores consumed in 1920-21, makes it impracticable to effect complete adjustment on these lines until recovery of a corresponding sum from the Government of 'Iraq has been effected.

6. In connexion with the "interim adjustment" with India, it may be mentioned that the High Commissioner has reported the receipt by him from the 'Iraq Government in March, 1923, of the sum of Rs. 18 lakhs which was to have been remitted by the 'Iraq Government direct as part of 'Iraq's debt of 302 lakhs. As India's claim to the sum of £3,490,000 was met in full with the exception of this sum of Rs. 18 lakhs, which was allowed for in arriving at the overpayment to India of £593,917, the sum of Rs. 18 lakhs is being treated as available for the liquidation of 'Iraq indebtedness to various Departments of His Majesty's Government for services outside the claim of India for 'Iraq drawings, while any balance in hand after the claims of those Departments have been met, will be held by this Office for payment to the Exchequer in part refund of the sum by which the Grant of 174 lakhs, which was voted in 1921-22, in aid of the deficit on Civil Administration Account to 31st March, 1921, may prove to have been in excess of the actual deficit as disclosed in the accounts after audit.

7. With regard to the general settlements arising out of the Grant-in-Aid of the Civil Deficit, I am to observe that the account of the Government of 'Iraq for the year 1920-21, which has now been received in this Office, discloses a deficit of

Rs. 93 lakhs but the 'Iraq Government have requested that additional allowances may be made. These will, if agreed to by His Majesty's Government, increase the total sum to be regarded as the amount of the deficit. Their Lordships will have seen also from the High Commissioner's telegram No. 512, of the 19th September,* a copy of which was forwarded to the Treasury on the 21st September, in Colonial Office letter No. 46690,† that further increases in the amount of the deficit appear to be necessary. The accounts received to date have been forwarded to the Director of Colonial Audit for examination and, subject to any report which the Controller and Auditor General may have to make when the account has been audited, steps will be taken to adjust any balance that may be shown to be due to or from 'Iraq after allowing for

(*a*) the transactions effected in connexion with the "interim adjustment" of November last.

(*b*) The further adjustments necessitated by the recent amended claim from the Government of India, and

(*c*) the receipt from 'Iraq of the 18 lakhs mentioned in paragraph 6.

8. When all adjustments to which allusion has been made are complete, the liability of 'Iraq in respect of grants made by Parliament (apart from the liabilities forming part of the Civil deficit which will, as far as possible, be adjusted as part of the settlement of that deficit) will be limited to the unexpended balance in the hands of the Railways Administration out of the advances made from Imperial funds, and to 'Iraq's share of the sum required to meet the loss on working of the 'Iraq Railways in 1921-22, in respect of which provision of the sum of £310,000 was made in the Supplementary Estimate for Middle Eastern Services 1922-23. The question of the repayments to be made by 'Iraq on the latter account have formed the subject of Their Lordships' letter of the 22nd August last,‡ the terms of which have been communicated to the High Commissioner.

I am, &c.,
J. E. SHUCKBURGH.

46690

No. 146.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(No. 1023.)

SIR, Downing Street, 17th October, 1923.

I HAVE the honour to acknowledge the receipt of your telegram No. 512 of the 19th of September last* reporting that further claims and credits affecting the accounts of the Civil Administration for the period prior to the 1st of April, 1921, have been received from India and that, in consequence, it is now expected that the deficit on the Civil Administration Accounts to that date will be increased, in all probability by some Rs.18 lakhs.

2. I regret to learn that a final settlement of this long outstanding matter is still impracticable, and I shall be glad to receive your promised further report as soon as possible.

3. In this connexion I desire to refer to the statements forwarded to the India Office by the Controller of War Accounts in the letters numbered 1952/A.C. of the 11th January, 1923, and 2034/A.C. of the 1st of February, 1923, copies of which are understood to have been forwarded direct from India to the Financial Secretary, and to enquire whether the additional credits and debits referred to in your telegram of the 19th of September relate to transactions recorded in those statements or whether they represent items included in additional statements from India, of which copies have not yet reached me.

4. Although His Majesty's Government have agreed to effect a settlement of India's claims for funds supplied to Iraq up to the 31st of March, 1921, in sterling in this country, it is essential, before payment is made in London, that the Rupee amount of the India Office claim should be accepted in Baghdad, and I desire, therefore, to be satisfied that the Rupee figures in India's claim are correct.

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* No. 144. † Not printed. ‡ 42047: not printed.

5. I have accordingly to request that you will notify me whether the claims against Iraq included in the statements from India alluded to in paragraph 3 above and in any subsequent claims that have been received are accepted as properly chargeable to the Civil Administration Accounts for the period to the 31st March, 1921.

I have, &c.,
DEVONSHIRE.

42946

No. 147.

COLONIAL OFFICE to TREASURY.

Downing Street, 22nd November, 1923.

SIR,

I AM directed by the Duke of Devonshire to refer to the letter from this Office of the 2nd May last,* and to the later semi-official communications, on the subject of the adjustment of the Account current between the Government of India and the Civil Administration of Iraq for funds supplied to the latter up to the 31st March, 1921, and to transmit to you, for the consideration of the Lords Commissioners of the Treasury, a draft of a letter† which His Grace proposes to address to the Under Secretary of State for India, on the subject.

2. Their Lordships will note that a final settlement of the claim cannot be effected until the figures have been examined and confirmed in Baghdad; but that, if the settlement of the Government of India's sterling claim is to be effected in accordance with the arrangements laid down in Their Lordships' letter to the India Office of the 28th February, 1922,‡ it would appear that all items of miscellaneous transactions, in respect of the year 1920-21, and all transactions recorded in the year 1921-22, should be eliminated. His Grace recognizes that some of the items which he proposes to exclude from the sterling settlement may relate to transactions (other than miscellaneous transactions in 1920-21) which originated before the 31st March, 1921; but in order to achieve finality, he considers it important that the sterling settlement of the Government of India's claim should be limited to transactions brought to account by that Government up to the 31st March, 1921, any subsequent adjustments being left for direct settlement between the Governments of India and Iraq.

3. I am to inquire whether Their Lordships concur in that view, which, if it is accepted by the Government of India, will have the effect of converting the present claim by the latter against His Majesty's Government into a claim against the Government of India of approximately £72,000.

I am, &c.,
J. E. SHUCKBURGH.

3367

No. 148.

TREASURY to COLONIAL OFFICE.

(Received 22nd January, 1924.)

[*Answered by No.* 149.]

Treasury Chambers, 21st January, 1924.

SIR,

1. THE Lords Commissioners of His Majesty's Treasury have had under consideration Sir J. Shuckburgh's letter of the 3rd October last,§ reporting as at that date the position between His Majesty's Government and the Governments of India and Iraq in respect of transactions arising out of the transfer of financial responsibility to the Government of Iraq on 1st April, 1921. They have also received your communication of the 10th instant,‖ with enclosed copy of a despatch‖ of that date to the High Commissioner containing a further statement of the position in relation to the latter Government as it appears to your Department.

They will be glad to learn whether these figures are accepted, and in particular whether the Secretary of State for the Colonies has in view a final settlement with both Governments within the current financial year.

* 17942: not printed. † Not printed. ‡ Enclosure 1 in No. 95. § No. 145. ‖ File 27, 3c 22; Accounts: not printed.

2. My Lords desire in the meantime to offer the following observations on the statements on Sir J. Shuckburgh's letter. They note the circumstances which prevented the Secretary of State detecting the drafts on India for other than Imperial services in 1921-22, and observe that as from 1st April, 1922, the High Commissioner became directly responsible for drafts, accounting, and balances, with the exception of such balances as remained on the hands of the Iraq Government. The Secretary of State will be aware from Treasury letter of 28th February, 1922,* that Their Lordships were not prepared to provide a working balance at 31st March, 1921, and that such balance as existed, not being a part of the settlement covered by that letter, must have constituted a floating debt arising from money order or other receipts for subsequent remittance to India. Such remittances by draft as were met by the Secretary of State will be offset by the expenditure of Iraq on services subsequently charged to Imperial account; and Their Lordships learn from His Grace's despatch of the 10th instant that the actual amount of the resulting balance which His Grace proposes should be surrendered on the completion of the examination of the accounts for 1921-22 is approximately Rupees 4,38,396. My Lords presume that, in the absence of other complications and later adjustment of amount due to India, this sum would suffice to meet the Indian claim against Iraq which has been temporarily met from the overpayment on account of the deficit at 31st March, 1921, and that it would therefore be payable to the Exchequer and complete the refunds due thereto.

3. My Lords note from paragraph 6 of the letter of 3rd October last that the short payment by Iraq to India of 18 lakhs of rupees, to which reference is made in paragraph 4 of that letter, has now been rectified by a payment to the High Commissioner, but in that this short payment was withheld by the India Office from the interim adjustment of November, 1922, they would have thought that the sum was due to the Exchequer in further part refund of the overpayment on account of the deficit at 31st March, 1921. They desire to know the grounds on which this sum is being treated as available for the liquidation of Iraq's indebtedness to various Government Departments and to be informed of the nature and amount of this indebtedness.

4. With regard to the reported overpayment of Rupees 7,05,787 to the Disposal and Liquidation Commission in respect of stores consumed on the Railways, the Duke of Devonshire will doubtless inform Their Lordships of the amount recovered and of its proposed destination. It would appear to be available for payment to the India Office, a simultaneous recovery being effected on account of the sum withheld from the interim adjustment of November, 1922, but in view of the action of the India Office in April last in not meeting the counter-claim of your Department in respect of the payment of £194,757 3s. 3d. in that month, I am to request that no further payments should be made in the expectation of recovery. Their Lordships see no accounting objection to direct payment to the Exchequer.

5. My Lords note that the total payment to the Disposal and Liquidation Commission included the sterling equivalent of approximately 29 lakhs (Rupees 29,06,932) which was due from the Iraq Government for stores consumed and charged in the Railway Accounts to the 31st March, 1921, which formed part of the Accounts of the Civil Administration up to that date, and that it has been explained to the High Commissioner that, in consequence, the Colonial Office has taken the place of the Disposals Commission as creditor of Iraq for the 29 lakhs. They presume, therefore, that although this amount was not in fact disbursed prior to 31st March, 1921, it was included in the cash deficit reported as on that date which was met by His Majesty's Government. On a cash basis, therefore, the deficit was over-calculated to this extent, and in paying to India the calculated sum His Majesty's Government were making an equivalent excess contribution to the amount of the debt of 302 lakhs referred to in paragraph 3 of Treasury letter of 28th February, 1922. Their Lordships consider, therefore, that the claim is not so much in respect of particular stores as in respect of general cash advances by the Indian Government which have been met from Imperial funds instead of from the balances in Iraq on 1st April, 1921, and that consequently it should not be dealt with apart from the cash settlement proposed in His Grace's despatch of 10th instant.

6. My Lords observe that, in adjusting any balance which may prove to be due to or from Iraq as the result of the audit now being conducted by the Director of Colonial Audit and of any increases which may be recommended in the calculation

* No. 95.

of the deficit at 31st March, 1921, allowance will be made for transactions effected since that date, and for variations consequent on the revised claim from India dealt with by Sir J. Shuckburgh's letter of 22nd November last.* My Lords suggest that the claim from India should also be submitted to the Director of Colonial Audit for consideration with the Iraq Accounts with a view to correlation.

7. With reference to paragraph 8 of the letter under reply, I am to request that Their Lordships may be informed of the steps taken to recover the unexpended balance in the hands of the Railway Administration.

I am, &c.,
G. L. BARSTOW.

3367

No. 149.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 150.]

Downing Street, 13th March, 1924.

SIR,

I AM directed by Mr. Secretary Thomas to acknowledge the receipt on the 22nd of January of Sir George Barstow's letter† concerning the position between His Majesty's Government and the Governments of India and Iraq in respect of transactions arising out of the transfer of financial responsibility to the Government of Iraq on the 1st of April, 1921.

2. Their Lordships are aware that, in considering the position arising out of these transactions, two separate but interdependent questions are involved (*a*) the claim of India in respect of the general cash advances made by India to Iraq in the period to 31st March, 1921, and (*b*) the deficit on the account of the Civil Administration of Iraq as at 31st March, 1921, part of which is a result of the settlements to be made with India in respect of such cash advances. Their Lordships recognize, doubtless, that the determination of the precise amount in rupee currency of the Government of India's claim, which constitutes by far the largest liability of the Civil Administration at 31st March, 1921, is an essential preliminary to the determination of the final amount of the Civil Deficit at that date. Consequently, the sum due for refund to the Exchequer in respect of the amount by which the Grant of Rs. 174 lakhs voted in 1921/22, exceeded the actual deficit cannot be calculated until the claim of India in respect of the general cash advances made to Iraq has been determined. The Secretary of State would welcome a final settlement with both Governments within the current financial year, and Their Lordships will have observed from the letter from this Office to the India Office of the 16th of January, 1924,‡ a copy of which accompanied the letter from this Office of the 23rd of January, 1924,‡ that the Secretary of State has suggested that the Government of India should give an undertaking to restrict their claim for advances made to Iraq up to 31st March, 1921, to such claims applicable to that period as may have been presented not later than 31st March, 1924.

3. The Civil deficit, as at present calculated, allows for a net indebtedness to India up to the 31st of March, 1921, of Rs. 671 lakhs. The claims so far received from India may, according to information received from Baghdad, reach as high a figure as Rs. 689 lakhs, but, on present information, there appears to be no reason to anticipate that the final rupee claim of India will exceed the latter figure. The relation of India's claim with the deficit on the Iraq Accounts at 31st March, 1921, and the effect on the sum to be refunded to the Exchequer on account of the Supplementary Vote of March, 1922, to which reference was made in your letter of 3rd of January, 1924,§ will be borne in mind, but, putting aside for the moment the precise amount of the Government of India's claim, it appears possible to arrive at approximate figures in regard to the remaining assets and liabilities of the Civil Administration on the 31st of March, 1921, and I am to enclose a Memorandum setting out the approximate ultimate position of the account between His Majesty's Government and the Government of Iraq in respect of the Grant which was voted by Parliament in 1921/22 in aid of the deficit on Civil Administration Account.

4. I am to explain that, as a result of semi-official communications which have passed between this Office and Their Lordships' Officers of Accounts, it is understood that Their Lordships will be prepared to consider the proposals put forward by the

* No. 147. † No. 148. ‡ 42945: not printed. § 472: not printed.

Government of Iraq, in the High Commissioner's despatch No. 490 of the 24th of May last* (a copy of which accompanied the letter from this Office of the 2nd of July last,*) that the deficit of Rs. 92, 55, 831-14-3 disclosed in the accounts so far received from Iraq, should be regarded as the net result of the items referred to at (*a*), (*b*), (*c*) and (*d*) of paragraph 4 of the High Commissioner's despatch of the 24th of May, to which should be added the sum of Rs. 22.50 lakhs for "Customs Refunds" which were made subsequently to the 31st of March, 1921, in respect of receipts prior to that date which had been credited finally to Revenue in the Civil Administration Accounts, and the sum of Rs. 22.38 lakhs for the value of Engineering Stores on hand on the 31st of March, 1921, which the Government of Iraq has requested should be added to the capital liability of Iraq to His Majesty's Government. The former of the two last-mentioned items might properly, in Mr. Thomas's opinion, have been credited to Deposits instead of to Revenue in the Civil Administration Accounts, and he understands that Their Lordships are prepared to concur in that view. As regards the amount of the Stores Suspense Account, which is included as an Asset of the Civil Administration in the accounts to 31/3/21, it is understood that Their Lordships would be prepared to agree that, while the amount could not be added finally to the amount of the Civil deficit, the value might be added as a book debt repayable as stores were realized by use or by sale, subject to a limit as to time or by equal annual instalments over, say, 5 years from the 1st of March, 1921. Mr. Thomas would suggest that the Iraq Government should be invited to adopt the latter alternative.

5. If Their Lordships will agree to a provisional settlement on the basis indicated in the preceding paragraph, Mr. Thomas would propose to address to the High Commissioner the telegram† of which a draft is enclosed for Their Lordships' concurrence. The position regarding the deficit is set out in detail in that telegram, and shows that a sum of Rs. 8,81,000 approximately will be payable from the funds derived from the sum of 174 lakhs voted in 1921, as a Grant-in-Aid of the Civil deficit, the amount of which would be taken as Rs. 137,44,000. In that case, the amount due to be refunded to the Exchequer in respect of the original charge of Rs. 174 lakhs to sub-head J.1 of the Vote for Middle East Services 1921-22 would be (174 minus 137.44) Rs. 36,56,000 which, at the rate of 1s. 3d. the rupee adopted at the time the Grant was made, represents £228,510. Of that sum Their Lordships are aware that £117,302, equal approximately to Rs. 18,77,000, was refunded to the Exchequer in 1922-3. A sum of £111,208, representing Rs. 17,79,000 at 1s. 3d. to the £, remains therefore to be repaid, and Mr. Thomas is prepared, if Their Lordships so desire, to authorize the immediate surrender of that amount to the Exchequer. He would observe, however, that, if that course is adopted, it will not be possible to make any further payment to the Government of India if the rupee amount of their final claim should prove to be in excess of the figure of Rs. 671,29,000, allowed for in the Civil deficit account, without an application to Parliament for a supplementary Grant-in-Aid of the Civil deficit. Such a contingency is, in Mr. Thomas's opinion, strongly to be deprecated and he trusts, therefore, that Their Lordships will allow a final settlement with the Exchequer to be deferred until the actual amount payable to Iraq in respect of the Civil deficit has been determined. Meanwhile, he will continue to use every endeavour to secure that a settlement of the matter shall be effected at the earliest possible moment.

6. Mr. Thomas notes the observations in paragraph 2 of the letter under reply, and agrees that Their Lordships' assumption that, in the absence of other complications and later adjustment of the amount due to India, the balance of Rs. 4,38,396 which the Iraq Government have been called on to surrender would suffice to meet the Indian claim against Iraq which has been temporarily met from the over-payment on account of the deficit, but, should Their Lordships agree to the proposals made in the preceding paragraph, the existing complications regarding the cash transactions between the India Office, the Colonial Office and the Treasury, on account of the Civil deficit, and the claim of India for funds supplied, will automatically disappear, and Mr. Thomas anticipates no difficulty in meeting any payments as and when they become due, except in so far as the claim of India for exchange loss on rupee funds supplied to Iraq up to the 31st of March, 1921, may exceed the amounts which are now available to meet such a claim. In the latter case, it will be necessary to obtain Their Lordships' authority for a supplementary

* 28080: not printed. † See No. 151.

estimate to meet such claim, but, so far as can be foreseen at present, Mr. Thomas has no reason to anticipate that any such estimate will be necessary. It seems possible, indeed, that a sum may remain available for surrender to the Exchequer when the final claim has been dealt with. As Their Lordships observe, however, in their letter of the 3rd of January,* the range of variations which have been made from time to time in the claim of the Indian Government is considerable, and it is, of course, impossible to forecast the final outcome until the final claim of India has been received.

7. In reply to the inquiry in paragraph 3 of your letter of the 21st January,† I am to explain that, although Their Lordships are correct in their assumption that the sum of 18 lakhs can generally be regarded as repayable to the Exchequer subject to the consideration set out in paragraph 5 above, it has been found necessary to effect, on behalf of the Civil Administration, adjustments with the War Office and other Government Departments of the sums that were due to or from those Departments, according to the Civil Administration accounts on the 31st of March, 1921, since the latter included a single sum of approximately Rs. 374 lakhs as due from His Majesty's Government, although the component parts of that figure represented amounts due to or from the War Office, the Foreign Office, the General Post Office and the India Office. Their Lordships will remember also that the provisional settlement with the Government of India in March, 1922, included a payment by the War Office of £3,920,000 on behalf of the Iraq Government as representing the funds which had been supplied to the Army through the medium of the Civil Administration Accounts. It was subsequently shown by the War Office, however, that the sterling equivalent of the sums received by the War Office from the Civil Administration was £12,010,315 18s. 2d., on account of which Army Funds had paid to the Government of India :—

(*a*) In respect of "credits" to the War Office brought to account by the Civil Administration ...	£8,124,189
(*b*) Provisional payment to India Office	£3,920,000
Total	£12,044,189

A refund to the War Office of £33,873 1s. 10d., was therefore due and seeing that the Government of India in their claim against the Colonial Office had given credit for the £3,920,000 paid by the War Office it was necessary for this Department to adjust the over-payment made by the War Office since it was one of the transactions arising out of India's total claim against His Majesty's Government for funds supplied to Iraq. The net result of these adjustments will be to reduce by a sum of £55,417 the sum of £123,750 received from the Iraq Government in respect of the 18 lakhs referred to. The question whether the payment of £33,873 1s. 10d. should be charged to the Middle East Vote has been referred to the Treasury Officer of Accounts, and, should it be necessary to approach Their Lordships officially on the subject, a further letter will be addressed to you.

8 The position regarding the over-payment to the Disposal and Liquidation Commission in respect of stores consumed on the Railways outlined in paragraph 4 of the letter under reply is substantially correct, but, if Their Lordships should agree to the proposals made in paragraph 4 of this letter, the need for applying the refund, when obtained, particularly to adjustments in connexion with the Civil deficit or the Government of India's claim will disappear. The refund will then be part of the general balances of the Middle East Vote.

9. Mr. Thomas concurs in the view of Their Lordships expressed in paragraph 5 that the debt of approximately 29 lakhs due by the Iraq Government for railway stores consumed and charged in the Railway accounts to the 31st March, 1921, should not be dealt with apart from the cash settlement proposed in the Duke of Devonshire's despatch of the 10th of January.‡ The cash settlement implicated by the sum of Rs. 4 38,396 was based on an estimate of the position as it appeared at that date in relation to the unexpended balance in the hands of the Accountant General of the Iraq Government as at the 31st of March 1922, after taking into account expenditure by Iraq subsequent to that date which has been admitted as a charge against Imperial account. The sum of Rs. 29 lakhs represents a cash advance made from Imperial funds on behalf of the Iraq Government subsequently to the 31st of March,

* 472: not printed. † No. 148. ‡ File 27, 3c, 22, Accts.

1922, instead of from the balances in Iraq on the 1st of April, 1921, and refund of both sums is accordingly required in order to effect a full settlement of the cash position between the Iraq Government and the Secretary of State. It will be observed, however, that the proposed telegram to Iraq provides for the recovery of this amount in connexion with the proposed settlement of the deficit.

10. The claim of the Government of India for funds supplied to the Government of Iraq in the financial years 1919-20 and 1920-21 necessarily represents part of the accounts of the Iraq Administration for those years and will be subjected to audit. The general question of the audit of the Accounts of the Civil Administration is being further considered and the Director of Colonial Audit is being asked to furnish a considered report on the material already placed before him, and to state whether, in view of the fact that audit in detail would not appear to be necessary, it would not be possible for him to undertake the audit of the Accounts with the staff at his disposal as contemplated in your letter of the 12th of July, 1923.*

I am, &c.,
J. E. SHUCKBURGH.

Enclosure in No. 149.

MEMORANDUM SHOWING THE APPROXIMATE POSITION OF THE ACCOUNT BETWEEN HIS MAJESTY'S GOVERNMENT AND THE IRAQ GOVERNMENT IN RESPECT OF THE GRANT-IN-AID OF THE CIVIL DEFICIT OF THE IRAQ ADMINISTRATION AT 31ST MARCH, 1921.

	£
The net amount paid to the Iraq Administration in March, 1922, and charged to Subhead J.1 of the Vote for Middle Eastern Services, 1921/22, as modified by later adjustment in November, 1922, was Rs. 174 lakhs at 1s. 3d.	= 1,087,500
The amount of the Deficit according to the Civil Administration Accounts received to date is Rs. 93 lakhs, which at 1s. 3d.	= 581,250
∴ Amount at present due for refund to the Exchequer in respect of the over-payment of the Grant-in-Aid is	506,250
It is now proposed that additional allowances totalling Rs. 44.43.831 should be made	= 277,740
If agreed to, the amount repayable will then be	228,510
Of the above amount, refund was made to the Exchequer in 1922/23 of ... ... (equal to Rs. 18,76,832 at 1s. 3d. the rupee).	117,302
There will thus remain to be refunded (if the amount of the deficit should remain at 137,43,831 rupees), the sum of	£111,208

2. Bound up with the adjustment of the amount due to Iraq in respect of the Grant for the Civil deficit, is the question of India's claim for funds supplied to Iraq up to 31st March, 1921, which represents the largest item of the Iraq liabilities at that date.

Part of that claim, i.e., all transactions other than "Miscellaneous" transactions in the year 1920/21, is due for settlement in sterling at the official rates of exchange appropriate to the months in which the transactions occurred.

The Rupee amount of the whole of the claim has still to be fixed before the amount of the Civil deficit can be determined.

The sterling amount due to India will then be :—

(*a*) The Rupee debt disclosed in the Iraq Accounts to 31st March, 1921, converted at 1s. 3d. the rupee.

* 35043: not printed

Plus,

(*b*) Exchange difference on the above, excluding, however, Miscellaneous transactions in 1920/21.

Any amount payable to or receivable from India in respect of (*a*) above will be adjusted as relating to the original charge to Sub-head J.1 of the Middle East Vote for 1921/22.

Any amount payable to or receivable from India in respect of (*b*) above will be adjusted as relating to the original charge to Sub-head J.2 of the Middle East Vote for 1921/22.

In so far as (*a*) is concerned, it is fairly certain (barring new unforeseen claims by India), that the amount already paid to India more than covers the amount due; but with regard to (*b*) it should be noted that, if the Colonial Office claim against India for £72,864 should fail and/or additional payments should be shewn to be due to the Government of India, a new vote for Loss by Exchange will be required.

The cash position of the Middle East Vote in relation to the India Claim is at present as follows:—

In November 1922, India repaid a sum of £171,677 to the Colonial Office. This represented the net result of certain transactions which included £593,517 allowed as a refund of over-payments in the previous March, which had been charged to Sub-head J.1 of the Vote for Middle East Services, 1921/2 (Civil Deficit Grant-in-Aid) and to Sub-head J.2 (Loss by Exchange).

Of the net receipt of £171,677, £54,375 was credited to Sub-head J.1, to adjust the amount by which that Sub-head had originally been overcharged (£1,141,875 less £1,087,500). The balance of £117,302 was paid to the Exchequer "on account" of the amount by which the estimated deficit seemed likely to exceed the deficit actually disclosed in the accounts (£593,517 less £54,375). The rupee equivalent of the latter sum (£539,142) was Rs. 56,43,816, and as the rate of 1s. 3d. the rupee had been used for calculating the amount provided under Sub-head J.1 for the Civil deficit, it is necessary to use the same rate in determining the amounts included in the refunds by India which are to be regarded as applicable to the original charge to that Sub-head. The differences represent amounts due for adjustment in connexion with "Loss by Exchange" transactions arising out of the India claim.

The sum of £539,142 was, therefore, adjustable as follows:—

		Due to the Exchequer in respect of overcharge to Subhead J.1.	Due for adjustment in connexion with Loss by Exchange transactions.	Total.
	Rs.	£	£	£
Refunded by India	56,43,816	352,738	186,404	539,142
Deduct Refunded to Exchequer, March, 1923.	18,76,832	117,302	—	117,802
	37,66,984	235,436	186,404	421,840
Add amount recovered from Iraq Government on account of their indebtedness in respect of the deficit adjustment, March, 1923	18,00,000	112,500	11,250	123,750
	55,66,984	347,936	197,654	545,590
Deduct payment in March, 1923, to Disposals on behalf of Iraq Government (now proposed to be regarded as an addition to the amount to the Civil deficit)	29,06,932	181,683	18,168	199,851
	26,60,052	166,253	179,486	345,739
Deduct amount paid to India Office, March, 1923, in respect of their outstanding claim for funds supplied ...	—	—	194,757(3/3)[d]	194,757
	26,60,052	166,253	– 15,271	150,982
Deduct payments to War Office and other Departments to date on a/c of exchange differences	—	—	55,417	55,417
Balance at present unadjusted	26,60,052	166,253	– 70,688	95,565

The sum of (Rs. 26,60,052) £166,252 (approximate), is outstanding as a liability to the Exchequer in respect of the Civil Deficit Grant-in-Aid. If the proposals now submitted to the Treasury are concurred in, a sum of Rs. 8,81,000 (approximate), say, £55,000 will be nominally payable to Iraq, but as the liabilities of the latter Government to His Majesty's Government, disclosed in the Statement of Assets and Liabilities, viz.:—

For transferred telegraph stores consumed prior to 31st March, 1921 ...		Rs. 4,27,000	
For transferred railway stores consumed prior to 31st March, 1921 ...	41,44,454 8 1		
Less amount already paid by C.O. to Disposals on this account	29,06,932	12,38,522	8 1
		16,65,522	8 1

in addition to a cash balance of Rs. 4 lakhs (approximately), which is due to the Colonial Office as representing the unexpended balance of advances to meet Imperial Services subsequent to the 31st March, 1921, and three instalments (approximately Rs. 13 lakhs), will be payable on the Engineering Stores Suspense Account, it is proposed to set-off the amount due against those items and to pay the whole to the Disposal Commissioners, or the balance remaining after adjustment of the cash balance due to the Colonial Office, according to the Treasury directions received.

Similarly the balance of Rs. 1,780,000 (approximately), or £111,208 (approximately), can be paid to the Exchequer or retained to meet possible increases in the Government of India's rupee claim for funds supplied.

In respect of the excess payment of £70,688 on account of loss by exchange, the Treasury Officer of accounts has been referred to as to whether a sum of £33,873 1s. 10d. should be written off forthwith against a Loss by Exchange Sub-head of the Middle East Vote, whilst a claim has been preferred against the India Office for approximately £72,864 which (if successful), will more than cover the outstanding balance of £36,815.

Colonial Office,
March, 1923.

14575

No. 150.

TREASURY to COLONIAL OFFICE.

(Received 27th March, 1924.)

SIR, Treasury Chambers, 26th March, 1924.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Sir J. Shuckburgh's letter of the 13th instant* on the subject of the position between His Majesty's Government and the Governments of India and Iraq in respect of transactions arising out of the transfer of financial responsibility to the Government of Iraq on the 1st of April, 1921, and in reply I am to request you to inform the Secretary of State for the Colonies that, while Their Lordships will need to give further consideration to the numerous details of the position, they are prepared to agree to a provisional settlement with the Iraq Government on the basis indicated in paragraph 4 of the letter under reply.

I am accordingly to express Their Lordships' concurrence in the draft telegram which it is proposed to address to the High Commissioner in order that the provisional settlement may be reached in the current financial year.

I am, &c.,
G. L. BARSTOW.

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* No. 149.

3367

No. 151.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 11.30 p.m., 27th March, 1924.)

TELEGRAM.

No. 146. 27th March.

My despatch 24th July, No. 691,* Civil deficit. Although final amounts cannot yet be determined pending verification Indian claim and audit of accounts, His Majesty's Government are prepared in order to simplify settlement outstanding transactions directly affecting Iraq's indebtedness to His Majesty's Government to agree to provisional settlement on basis of proposals made in paragraph 4 your despatch No. 490 of 24th May* on understanding that final adjustment will be made after audit, and if latter should disclose that owing to incorrect charges or errors and omissions provisional settlement now contemplated has involved over-payment Iraq will undertake to make good. As regards proposal in paragraph 4 (*f*) your despatch No. 490, repayment of 22 lakhs to Stores Suspense Account will be required by annual instalments over five years from March, 1921. This will make three instalments due to date. If Iraq Government accept condition position will be as follows—figures used are to nearest thousand rupees. Deficit shown in accounts received with your despatch 2nd March, 1923, No. 226,† and verified by review of balances in your despatch 24th May, No. 487,‡ is 19,697, from which must be deducted War Office payment in 1921-2 of 10,441, leaving net deficit at 9,256. Add to latter sums of 2,250 and 2,238 referred to in paragraph 4 (*e*) and (*f*) your despatch 4th May, total deficit becomes 13,744. Payments already made by His Majesty's Government are 17,400 (see my despatch 10th March, 1922, No. 167§) plus 2,907 to Disposals (see my despatch 20th April, No. 344‖), together 20,307. On the other hand, India refunded 5,644 22nd November and Iraq repaid 1,800 March, 1923 (see my despatch 19th October, No. 1035¶), together 7,444: net payment to date is therefore 26,367, minus 7,444, or 12,863, leaving 881 payable to Iraq to make up total deficit of 13,744. In view of arrangements indicated in paragraph 5 your despatch 24th May* liabilities to His Majesty's Government to be met by Iraq will exceed 881 now due to Iraq. Also three instalments of Engineering Stores are due as shown above, and Iraq already owes His Majesty's Government unexpended balance of 438 in respect of transactions on Imperial account subsequent to 31st March, 1921. It is proposed to retain sum of 881 as partial set-off against those items. Assume that Iraq accepts terms which are practically identical with proposals in your despatch 4th May, and request they may be urged to effect settlement before 31st March so that next financial year can be started with comparatively clean slate. According to details furnished in Review of Balances this could be done by the payment to Disposals and to High Commissioner of approximately 2,988, of which 1,341 would represent three instalments on account of Engineering Stores and 438 would be outstanding Cash Balance. As regards India's claim provisional settlement above will make Iraq responsible for rupee liability up to 67,129. Any increase over latter figure will be liability of His Majesty's Government provided resultant deficit does not exceed 17,400 originally voted as grant-in-aid. If India's claim should be less than 67,129, difference will be due for refund by Iraq Government to His Majesty's Government. As regards exchange loss on India claim see my despatch 24th July, No. 691,* paragraph 5.—SECRETARY OF STATE FOR THE COLONIES.

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* 28080: not printed. † 13492: not printed. ‡ 28077: not printed. § No. 104.
‖ 14682: not printed. ¶ 39296: not printed.

Printed for the use of the Colonial Office.

Middle East
No 3.

CONFIDENTIAL.

CORRESPONDENCE

[APRIL TO DECEMBER, 1921]

RELATING TO THE

FORMATION OF CIVIL SERVICES

FOR

Countries under the Middle East Department.

COLONIAL OFFICE,
August, 1925.

Printed for the use of the Colonial Office.

Middle East
No 3.

CONFIDENTIAL.

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[APRIL TO DECEMBER, 1921]

RELATING TO THE

FORMATION OF CIVIL SERVICES

FOR

Countries under the Middle East Department.

COLONIAL OFFICE,
August, 1925.

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Serial No., From or to whom, Despatch No., &c., and Date.	Subject and Page No.
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1 To Treasury ... ... April 25	Transmits, for concurrence, copy of a draft telegram to the High Commissioners for Palestine and Mesopotamia regarding the proposed formation of Civil Services for those Territories. Considers that circumstances justify the granting of the special pension privilege mentioned and proposes to give instructions for Pensions Ordinances to be framed 1
2 Treasury ... ... May 23	Replies to No. 1, and, subject to observations, approves the terms of the proposed telegram 1
3 To the High Commissioners Telegram, Palestine, 106, Mesopotamia, 121 May 29	States proposals regarding the formation of Civil Services in Palestine and Mesopotamia 3
4 The High Commissioner Mesopotamia, Telegram, 174 ... ... June 10 (Rec. June 15)	Presumes that educational staff should be classified as technical and not advisory 4
5 To the High Commissioners Palestine, Telegram, 165, Mesopotamia, Telegram, 192 ... ... June 24	States that Pensions Ordinances will be drafted and sent out as soon as possible 4
6 To the High Commissioner Mesopotamia, Telegram, 199 ... ... June 25	States in reply to No. 4 that educational staff should be treated as technical 5
7 The High Commissioner Mesopotamia, Telegram, 318 ... ... July 19 (Rec. July 21)	States, in reply to No. 3, that doubt exists as to which services are to be classified as technical and which as advisory. Points out difficulty in carrying out proposals regarding advisory staff, and submits alternative scheme 5
8 The High Commissioner Mesopotamia, Telegram, 327 ... ... July 23 (Rec. July 26)	States that completion of despatch referred to in No. 7 will be deferred until receipt of Secretary of State's recommendations 6
9 To the High Commissioner Mesopotamia, Telegram, 276 ... ... July 29	Cannot hold out any prospect either of combination of Mesopotamian and Palestine services into one, or of such a long period as fifteen years being contemplated for engagement of advisory staff. Suggests that the whole matter should be discussed with Major Young and Mr. Vernon when they arrive. Asks for a list giving particulars of British Officers employed in Mesopotamia in all services 6
10 The High Commissioner Palestine, Telegram, 294 ... ... July 29 (Rec. July 30)	States, in reply to No. 3, that he is unable to forward nominal rolls by 1st August and suggests extension of moratorium until 1st September 7
11 To the High Commissioners Mesopotamia, 301, Palestine 234, Telegram August 8	States that moratorium referred to in paragraph 8 of No. 3 has been extended to 31st December 7
12 To Treasury ... ... August 10	States the circumstances in which it is proposed to extend the moratorium to 31st December next ... 7
13 The High Commissioner Mesopotamia, Telegram, 378 ... ... August 11 (Rec. Aug. 13)	Discusses the position of the advisory staff under the proposals set forth by His Majesty's Government ... 7
14 To the High Commissioner Iraq, Telegram, 357 ... August 29	States that events have moved so fast that the whole question of the status of British officials in Iraq has assumed a new aspect. Sets out the general principles upon which it is thought the matter should proceed and asks for further comments 8

29057. Wt. 27380/1415. 30. 9/25. J.J. K. & Co., Ltd.

Serial No., From or to whom, Despatch No., &c., and Date.	Subject and Page No.
1921	
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16 To the High Commissioner Iraq, Telegram, 441 October 12	From the views expressed in No. 15, hopes that after discussion with Major Young the High Commissioner will be able to forward agreed proposals 10
17 Major Young to Sir J. E. Shuckburgh Iraq (Extract)... October 23	States that it is proposed to recommend that the Iraq Government should agree to employ for varying periods British or other foreign officials in certain specified posts which will be enumerated in a schedule to the Treaty; that the High Commissioner is in agreement with him as to the distinction to be drawn between officials of His Majesty's Government and of the Iraq Government whether Arab or British. Forwards, with observations, copy of a Circular Memorandum sent to Advisers to Ministries setting forth the line upon which the High Commissioner proposes to make recommendations to the Secretary of State, and requests views on the various hypotheses in the Circular 10
18 To the High Commissioner Iraq, Telegram, 525 November 15	Message for Major Young approving the first 8 hypotheses in the Memorandum in No. 17, subject to the modifications indicated, and stating that instructions as to the last hypothesis (*i*) will be telegraphed after consultation with the Treasury 14
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20 The High Commissioner Iraq, Telegram, 753 December 3 (Rec. Dec. 4)	Message from Major Young submitting his observations on the conditions of service proposed in No. 19 ... 15
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CORRESPONDENCE

[April to December, 1921]

RELATING TO THE

FORMATION OF CIVIL SERVICES

FOR

Countries under the Middle East Department.

17116

No. 1.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 2.]

SIR, Downing Street, 25th April, 1921.

I am directed by Mr. Secretary Churchill to transmit to you herewith, to be laid before the Lords Commissioners of the Treasury for their concurrence, a copy of a draft telegram* to the High Commissioners for Palestine and Mesopotamia regarding the proposed formation of Civil Services for those Territories.

2. I am to observe, with reference to paragraph 6, that Mr. Churchill considers that the circumstances in which entirely new services have to be created for the administration of these Territories are sufficiently unusual to justify the grant of the special privilege mentioned in paragraph 6 to officers without previous pensionable service who have accepted appointments (and in most cases comparatively senior appointments) in these Administrations at a greater age than that usual in officers entering the Government service. It is understood that a similar concession was granted to certain officers when the Sudan Civil Service was first formed.

3. Mr. Churchill proposes to give instructions for pensions ordinances to be framed for these Territories and submitted to their Lordships in due course.

4. I am to request that this matter may be treated as extremely urgent, in view of the necessity for obtaining details from Sir H. Samuel and Sir P. Cox in time for final recommendations to be approved before the 1st July, 1921.

I am, &c.,

G. GRINDLE.

25699

No. 2.

TREASURY to COLONIAL OFFICE.

(Received 24th May, 1921.)

SIR, Treasury Chambers, 23rd May, 1921.

THE Lords Commissioners of His Majesty's Treasury have had under consideration Mr. Grindle's letter of the 25th ultimo,† relative to the formation of Civil Services for Palestine and Mesopotamia, and I am now to request you to lay before the Secretary of State the following reply.

My Lords concur in the framing of draft Pensions Ordinances for those Territories, but they are of opinion that the Soudan model, to which, they understand, the views of Sir Herbert Samuel incline, is not so well adapted to the purpose as a system based on the Ordinances which are in force in the Crown Colonies and Protectorates. In deference to the representations made, they are prepared to agree that provision should be made for the grant of a professional addition of years to officers who are already employed and are selected for final retention, and who possess special technical qualifications without having served hitherto in a pensionable situation, whether civil or combatant, under the Imperial Government or the Government of a Colony or Protectorate.

* See No. 3. † No. 1.

With regard to the position of pensionable officers of the Imperial Government who are serving in Palestine or Mesopotamia, and whose posts are not regarded as pensionable from the revenues of the Territory, it will be necessary, in order that their service in the Territory shall continue to reckon for pension, that their Imperial salaries shall continue to be borne on Imperial votes, in view of the provisions of section 17 of the Superannuation Act, 1859. The Territory will refund to the Imperial Government the salary in question, together with a percentage addition to cover the cost of accruing pension. The percentage should be fixed at twenty per cent. in the case of Palestine, and twenty-five per cent. in the case of Mesopotamia. Such officers will be liable to income tax on their Imperial salaries.

With regard to the position of pensionable officers of the Imperial Government who are transferred to posts regarded as pensionable from the revenues of the Territories, My Lords feel great difficulty, in view of the present status, in deciding how their pensionable position should be dealt with. If they were satisfied that the revenues of the Territories were administered by a public department, within the meaning of section 4 of the Superannuation Act, 1892, and were likely to be so administered for an indefinite period, they would be prepared to declare those revenues to be a Public Fund under the Act. In that event, and on the assumption that the Pensions Ordinances now to be framed take a form which would harmonize with the Imperial Superannuation System, the transferred officer could on his ultimate retirement be awarded superannuation on the continuous service basis, in accordance with No. 2 of the Rules of the 31st July, 1911; while, if the Pensions Ordinances were to diverge widely from the Imperial system, two separate pensions would have to be awarded.

My Lords will be glad to learn in due course whether Mr. Churchill feels himself able to recommend a declaration under the Act of 1892, on the ground that the Territories are likely to be administered by a department of the Imperial Government for a prolonged period of years.

In the event of Their Lordships being unable to make such a declaration, it will be necessary, in the case of persons transferred permanently to the pensionable service of the Territories, to declare their employment to be approved employment within the meaning of section 4 of the Superannuation Act, 1914. The disadvantages of this course, from the point of view of the transferred officer, are that, if he has completed less than ten years' service, prior to the date of transfer, his superannuation from Imperial revenues on eventual retirement will take the shape of a gratuity only, not a pension; and that if his post is abolished, and he is not reabsorbed into the staff of the Imperial Government, no superannuation will be awarded to him.

I am to add that it should be made clear to all persons concerned that the Imperial Exchequer accepts no liability of any kind for the payment of pensions earned by service in the mandated Territories, except, of course, for service covered by the payment of percentage contributions.

With regard to the position which may arise on the termination of the Mandates, My Lords observe that while the Mandate for Palestine provides that the League of Nations will arrange for the obligations of the Territory being duly met, there is no such provision in the Mandate for Mesopotamia, and I am to suggest that further consideration of this matter may be required.

With regard to paragraph 9 of the draft telegram*, My Lords feel some doubt as to the advisability of adhering strictly to section 4 of the Colonial Regulations in the case of staff employed by the Mesopotamian Government, and they would suggest, for the consideration of the Secretary of State, the redrafting of this paragraph on the following lines:—

"Recruitment of all British officials and of more important native officials for all services in Mesopotamia must, for the present, be carried out under the supervision of His Majesty's Government. Both here and in Palestine the procedure in regard to all appointments to which the approval of His Majesty's Government is desired will be similar to that laid down in section 4 of the Colonial Regulations for Colonial appointments. The effect of this is that only very junior officers are selected for appointment by High Commissioners, and all other (selections) are made by Secretary of State full regard being had to recommendations of High Commissioners, if any. Ordinary Colonial practice is that political, administrative, legal, and scientific officers are selected in most cases on probation, in the

*See No. 3.

first instance, by the Secretary of State, and formally appointed by the High Commissioner, and technical officers, such as engineers, are selected and engaged on contract by Crown Agents for a period of years. Officers on probation and contract are confirmed as members of the pensionable staff by the High Commissioner after suitable period, subject to Secretary of State's approval. All promotions, except in very junior grades, should be submitted to Secretary of State for approval. As a general principle, recruitment for employment in Palestine will be conducted with a view to the special requirements of that country."

Subject to the above observations, My Lords approve the terms of the telegram which Mr. Churchill proposes to send to the High Commissioners.

I am, &c.,
G. L. BARSTOW.

17116

No. 3.

THE SECRETARY OF STATE to THE HIGH COMMISSIONERS OF PALESTINE AND MESOPOTAMIA.

(Sent 12.30 p.m., 29th May, 1921.)

TELEGRAM.

[*Answered by Nos.* 4, 7 *and* 10.]

29TH MAY. [No. 106.] [No. 121.] It is proposed that all British officials now employed in Palestine and Mesopotamia, whose retention is desired, should either (*a*) be included in a pensionable service at such rates of pay and pension as may be fixed, individuals being graded in accordance with seniority and responsibility, or (*b*) seconded for a period not exceeding five years, or (*c*) offered engagements on contract for a period not exceeding five years in the first instance on suitable terms.

2. Category (*a*) will be applicable to all services in Palestine and to technical services in Mesopotamia, but not to the advisory or political staffs in Mesopotamia and Trans-Jordania, which will be recruited solely under categories (*b*) and (*c*). This will not preclude recruitment under categories (*b*) and (*c*) for Palestine in individual cases. Pensions Ordinances will have to be passed making service under the Palestine Administration and in other than political or advisory services in Trans-Jordania and Mesopotamia pensionable from Palestinian or Mesopotamian funds. Provisions for safeguarding the rights of all British officials under guarantee of the League of Nations in the event of mandates coming to an end have been inserted in the draft mandates.

3. In the case of officers belonging to pensionable services whose permanent retention is not recommended, the service concerned will be approached and asked to agree to second them for a term not exceeding five years, pension rights being preserved subject to payment by Palestine or Mesopotamia of pension contribution to lending department, or alternatively, of proportion of pension on final retirement. In the event of appointments lapsing before the end of the specified term, they will be taken back into their own service if fit. In the event of the service concerned refusing to agree, or the officer himself preferring not to be seconded, the only alternative would be that specially qualified senior officers should be bought out on contract, but in view of the great expense that would be involved by this procedure it should only be recommended by you if all other means of filling post fail.

4. Officers not belonging to pensionable services, whose permanent retention is not recommended, will be engaged on contract for a period not exceeding five years, terms of the contract to include a provision to cover the possibility of the appointment lapsing before the expiration of the contract.

5. You are authorized to recommend special provision being made in certain cases for crediting additional years' service for calculation of pension to senior officers who are not in possession of previous pension rights and who are already employed and will be finally retained in Palestine or in technical services in Mesopotamia. Such provision will normally be approved only in the case of officers who at the time of entering the service possessed professional qualification of a legal, medical, engineering, or other similar kind.

6. You should furnish by despatch, at the earliest opportunity, nominal roll of officers whom you recommend for retention, with rates of pay proposed, showing under which category they fall, to what pensionable service, if any, they already belong, for what period you wish them to be seconded in the case of officers in category (*b*) belonging to pensionable services, and for what period and on what terms you propose to offer contract to officers under category (*c*) who do not belong to pensionable services.

7. All officers should be informed at once of the measures proposed, and their comments invited. Subject to any suggestions you may have to make in consequence of their views, scheme will be proceeded with immediately on receipt of nominal rolls.

8. Meanwhile, status and salaries of all officers will remain unchanged until the 1st August, on which date they will be required to decide, finally, whether they accept the terms offered or not. Permanent transfer seconding, or commencement of contract, will eventually be ante-dated to the 1st April, 1921.

9. Recruitment for all services in Palestine will be in future conducted as laid down in section 4 of Colonial Regulations. Effect of this is that only very junior officers are selected for appointment by High Commissioners, and all other selections are made by Secretary of State, full regard being had to recommendations of High Commissioner, if any. Ordinary Colonial practice is that political, administrative, legal, and scientific officers are selected in most cases on probation, in the first instance, by Secretary of State, and formally appointed by the High Commissioner; and technical officers, such as engineers, are selected and engaged on contract by Crown Agents for a period of years. Officers on probation and contract are confirmed as members of the pensionable staff by High Commissioner after suitable period, subject to Secretary of State's approval. All promotions, except in very junior grades should be submitted to Secretary of State for approval. As a general principle, recruitment for employment in Palestine will be conducted with a view to the special requirements of that country.

10. Selections for the British Political and Advisory Staffs in Mesopotamia and Trans-Jordania will be made by the Secretary of State, the fullest consideration being given to the recommendations of the High Commissioners and to the wishes of the Arab Governments as expressed through them. Recruitment for other services will be for the present conducted as for Palestine.

Addressed Baghdad and Jerusalem.—CHURCHILL.

30075

No. 4.

MESOPOTAMIA.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 7.5 p.m., 15th June, 1921.)

TELEGRAM.

[*Answered by No.* 6.]

10TH JUNE. No. 174. Your telegram, 29th May, No. 121.* I presume educational staff should be classified as technical not advisory. Please confirm.

25699

No. 5.

THE SECRETARY OF STATE to THE HIGH COMMISSIONERS FOR PALESTINE AND MESOPOTAMIA.

(Sent 11.20 a.m., 24th June, 1921.)

TELEGRAM.

[No. 165.] [No. 192.] My telegram of 29th May [No. 106.] [No. 121.]* Pensions ordinance will be drafted here and sent out as soon as possible.—SECRETARY OF STATE FOR THE COLONIES.

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*No. 3.

30075

No. 6.

MESOPOTAMIA.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 3.10 p.m., 25th June, 1921.)

TELEGRAM.

No. 199. Your telegram 10th June, No. 174.* Educational staff should be treated as technical.—SECRETARY OF STATE FOR THE COLONIES.

36561

No. 7.

MESOPOTAMIA.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 4.43 a.m., 21st July, 1921.)

TELEGRAM.

[*Answered by No.* 9.]

19TH JULY. No. 318. Your telegram 29th May.† Relevant papers have been circulated to all officers, and full despatch follows by mail. Some replies are still to be received, but I wish, however, to place following observations before you immediately.

Firstly: Some doubt has arisen as to which services are to be classified as technical and what as advisory. For purposes of this telegram am assuming that by advisory you mean only advisory staffs of Ministries and officers immediately assistant to such Advisers, together with Divisional Advisers and their assistants, and that by technical you mean all others.

Secondly: Much consternation has been caused by your proposal regarding Advisory staff among officers on cadre who have no permanent post to fall back on. They see prospect of being thrown on world after a total service (?some) nine years, during first four of which they have had scant opportunity to save and no provision made for pension or provident fund. Unlike technical officers, they are of little value in open market, whereas equally in contrast with technical officers they are pivot on which whole machinery for mandatory system revolves. Unless I can recruit and keep right advisory staff there will be no scope for technical. They are no less important to national government. It is hard, but incontrovertible fact, that, but for their presence in Provinces, there would be practically no collection of revenue. Feisal himself holds this view. They are, therefore, dismayed to find offered terms worse not only than those suggested for technical services here, but for all services, including advisory in Palestine. Regarding advisory officers who have permanent career to fall back on, a certain proportion find themselves in difficulties. They feel that at present stage in their careers they must either return to their own services at once and win their promotion therein, or else leave them for better prospects elsewhere. The War over, work in this country no longer assists them in their original careers. These officers must therefore either be allowed to go or given terms which will see out their service. Remainder comprises those whose particular stage of seniority in their own service would enable them to spend two or three more years here without spoiling their prospects there. These will accept short term contracts provided pay and prospects are sufficiently attractive. Terms will inevitably be expensive.

Thirdly: I am, therefore, faced both with prospect of losing greater number of essential officers than I can afford to contemplate, and at the same time with the knowledge that I cannot find substitutes of equal calibre who would not advance same objections. Some alternative scheme must therefore be devised. There seems to be one of two alternatives: First, Combined service to include Mesopotamia and Palestine and London appointments, no officer being retained whose services could not be made available in any one of these three spheres. Second: A fifteen-year

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* No. 4. † No. 3.

contract with provident fund available for all officers, whether technical or advisory, and whether or not of permanent service provident fund to be guaranteed by His Majesty's Government and to be big enough to give income of £700-£800 at end of fifteen to twenty years' service. In any case offered terms will have to be liberal to compensate distance from England; expense of living here, which is abnormal, even if judged by highest post-War standard in England; necessity in many cases for keeping two establishments and consequent need for remitting money home at unfavourable rates; unavoidable discomfort and risk of disease; and fact that for several months each year travelling is difficult to officers and impossible to families.

Fourthly: Regarding technical officers, acceptability of your proposals both regarding pay and pension generally depends on detailed offered terms In view of my preceding paragraph you may, however, prefer to bring them in line with advisory staff. It is urgent that I should have earliest possible decision as to which alternative commends itself to you so that I here can set to work on details without loss of time.

Fifthly: With reference to above, whatever be solution finally reached by His Majesty's Government, financing of it will fall upon Iraq revenues, and as by the time details are worked out form of government here will have been changed, beg that you will consider to what extent I am called upon to consult with Iraq Government in regard thereto.—Cox.

37472

No. 8.

MESOPOTAMIA.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 10.25 a.m., 26th July, 1921.)

TELEGRAM.

[*Answered by No.* 9.]

(Paraphrase.)

23RD JULY. No. 327. I will defer completion of my despatch referred to in my telegram No. 318, 19th July,* until receipt of your recommendations.

37472

No. 9.

MESOPOTAMIA.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 9.45 p.m., 29th July, 1921.)

TELEGRAM.

(Paraphrase.)

29TH JULY. No. 276. We are carefully considering here your telegrams Nos. 318, 327, 330, and 331.† So far as other than advisory services are concerned, it appears that there will be no great difficulty about carrying out the proposals in my telegram No. 121.‡ I cannot, I fear, hold out any prospect either of combination of Mesopotamian and Palestine services into one or of such a long period as fifteen years being contemplated for engagement of advisory staff.

Further delay is now inevitable, I am afraid, and it will probably be convenient for Young and Vernon, when they arrive, to discuss the whole matter with you. You may inform all concerned that a decision will be reached as soon as possible after you have had an opportunity of talking to my representatives. The decision that conditions of service shall be ante-dated as from 1st April this year holds good. Will you please furnish at once, by air mail, a list showing British officers at present employed in Mesopotamia, not only in advisory, but in all services, stating age last birthday, date on which their employment commenced, whether they already belong

* No. 7. † Nos. 7 and 8, and 37204 and 37169 not printed. ‡ No. 3.

to pensionable service, and, if so, in what year they entered it. Without this information I find it hard to suggest any compromise between my original proposal for the advisory staff, which was carefully worked out by all departments here, and to which we could see no alternative, and the two proposals which were made in your telegram No. 318,* neither of which, as it stands, is practicable.—SECRETARY OF STATE FOR THE COLONIES.

38349

No. 10.

PALESTINE.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 10.23 a.m., 30th July, 1921.)

TELEGRAM.

[*Answered by No.* 11.]

29TH JULY. No. 294. Your telegram 29th May, No. 106†. Unable to forward nominal rolls by 1st August. Suggest extension of moratorium until 1st September.—SAMUEL.

38349

No. 11.

THE SECRETARY OF STATE to THE HIGH COMMISSIONERS OF MESOPOTAMIA AND PALESTINE.

(Sent 4.55 p.m., 8th August, 1921.)

TELEGRAM.

[No. 301. My telegram 29th May, No. 121,† paragraph 8.] [No. 234. Your telegram 29th July, No. 294.‡] Moratorium extended to 31st December.—SECRETARY OF STATE FOR THE COLONIES.

38349

No. 12.

COLONIAL OFFICE to TREASURY.

SIR, Downing Street, 10th August, 1921.

WITH reference to the last paragraph of a letter from this office of the 3rd June last,§ concerning the formation of Civil Services for Palestine and Mesopotamia, I am directed by Mr. Secretary Churchill to inform you that the High Commissioner of Palestine has telegraphed that it has not been possible to furnish the nominal rolls of staff required by the 1st of August, and that various other complications have ensued which have made it impossible to regularize the position in the immediate future, and Mr. Churchill accordingly proposes that the "moratorium" should be extended to the 31st of December next. A telegram‖ to that effect has been addressed to the High Commissioners for Mesopotamia and Palestine accordingly.

I am, &c.,
HUBERT YOUNG.

40705

No. 13.

MESOPOTAMIA.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 11.29 a.m., 13th August, 1921.)

TELEGRAM.

[*Answered by No.* 14.]

(Paraphrase.)

11TH AUGUST. No. 378. Correspondence ending with your telegram 8th August, No. 301.‖ As a corollary to my telegram 10th August, No. 376,¶ it will be evident (1 group) interests of His Majesty's Government need (to) be prejudiced by adoption of alternative suggested by Feisal. In practice it would bring us at

* No. 7. † No. 3. ‡ No. 10. § 25699: not printed. ‖ No. 11. ¶ 40185: not printed.

once to a similar relationship with Iraq Government as under defunct Anglo-Persian Agreement (*absit omen*) we occupied with Persia. In any case it is becoming increasingly clear that advisory staff of this Administration will not be satisfied by terms of service hitherto offered by His Majesty's Government. Whole body of them are getting very restive, and indeed I am already receiving resignations. The section of them least inclined to accept terms at present offered comprise fifteen or twenty officers in advisory (? and from) posts in provinces who, as I have previously explained, represent whole backbone of present administration. Machine would collapse were they to go. No one recognizes this more readily than Feisal. I am not vet in a position to be able to express a definite opinion as to how majority of British staff would view (? proposal) Feisal suggests, but I feel sure that to a very important section of them this alternative would be unacceptable unless contracts were backed by His Majesty's Government. On the other hand, with sufficient backing on part of His Majesty's Government, and of (1 group), financial aspect of their contract and dignity of their service, it is possible that proposal might find acceptance. For example, I know that personal attitude of several members of advisory staff would be that if it was recognized that in serving Government they were at the same time doing valuable service for their own country, that would fully compensate for risks incurred. There would be no inducement for them otherwise to accept a service which must be regarded as decidedly precarious.

40705

No. 14.

IRAQ.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 3.0 p.m., 29th August, 1921.)

TELEGRAM.

[*Answered by No.* 15.]

(Paraphrase.)
(No. 357.)

YOUR telegram, No. 378,* and previous correspondence. Since your telegram No. 376 of the 11th August,† events have moved so fast that the whole question of the status of British officials in Iraq has assumed a new aspect. Broadly speaking, the general principles upon which I think we should proceed are that those officials who are in fact exercising control over the actions of Feisal's Government in order to ensure the carrying out of the international obligations of His Majesty's Government, and also to ensure the due exercise of financial control, so long as we are spending money in the country, cannot be members of any purely Iraq Civil Service, but must remain servants of His Majesty's Government, taking their orders from you, whether they are placed entirely or in part at Feisal's disposal or not. By this I do not mean that there should be any duplication of functions, nor is it in my opinion necessary for you to have an expert staff entirely at your own disposal, merely for the purpose of criticising the British officials of the Iraq Service. What I am anxious to avoid is the position by which an individual who is technically an Iraq Civil Servant also acts as a representative of His Majesty's Government. The position should be reversed and those who are fulfilling a dual rôle must be regarded as primarily our servants and nominees, though there is nothing to prevent them also acting as advisers to the Iraq Government. I see no difficultv in this so far as Headquarters are concerned. All that is necessary for us to do is to make it clear that the position of adviser to such of the ministries in Iraq as we must necessarily control is not open to members of the Iraq Civil Service. With regard to the districts there appears to be no reason why such advisers as Feisal may wish to engage should not be servants of the Iraq service. The treaty which is to be concluded with Feisal should include guarantees for the equitable treatment of all members of the Iraq service. Please let me have your further comments when you have considered the question on these lines.—SECRETARY OF STATE FOR THE COLONIES.

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* No. 13. † 40185: not printed.

48744

No. 15.

IRAQ.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 6.30 a.m., 29th September, 1921.)

TELEGRAM.

[*Answered by No.* 16.]

(Paraphrase.)
(No. 529.)

27TH SEPTEMBER. 1. In reply to your telegram dated 29th August, No. 357.* All Advisers to Ministries have been consulted, and I offer the following observations.

2. The following points seem generally carried through by us: (*a*) Treaty must secure to us right to appoint such limited number of expert advisers as are found necessary to enable us to fulfil obligations incurred by us whether to League of Nations or elsewhere. Primarily such officers will be officers of His Majesty's Government. (*b*) All other officers, whether advisory or technical (a distinction I suggest we drop for future) to be servants of Iraq Government, in selection of whom Feisal will have determining voice.

(*c*) That if you are to get any man at all for (*a*) and right type of man for (*b*) His Majesty's Government will have to give them on one hand reasonable prospects of personal safety, and on the other hand some guarantee of compensation in case employer fails in his contract.

3. Armed with these points of agreement cleared, there remain for discussion (1) numbers of (*a*), and probable numbers of (*b*). (2) Degree and class of guarantee requisite in each case.

(?) As regards (1) I concur that adviser to Judicial Department, and adviser to Ministry of Finance must be responsible to His Majesty's Government. I am disposed to add adviser to Ministry of Interior and a very limited number of divisional advisers, as without these we cannot make good our obligations to tribesmen who have accepted present regime on strength of assurances that I have been (1 group) obliged to give that effective British (? supervision) would be maintained such as will prevent misgovernment. I should like to have your views on points which in any case I will discuss with Major Young. One difficulty at least there is. (? If they are to be) servants of His Majesty's Government, how are we to justify our intention that Iraq Government should pay for them? As regards (*c*) (? *b*), what the Arabs want is a number of experts to fill places for which they have no suitable candidates. I am *prima facie* of opinion that having fixed (*a*) ourselves (after proffering such friendly advice as seems to be called for), (*c*) (? *b*) should be left to them. They will realize that if they want to get good men they will have to pay them their market value. We, on the other hand will be free of odium of forcing officials on them and determining their rates of pay. I should be glad to know what your views are as regards (2). It seems quite clear that in addition to obligations, which treaty will presumably create as between Iraq Government on one hand and British advisers and British Iraq Civil Servants on the other, His Majesty's Government will have to accept as between themselves (?) and these officers an obligation to settle claims in the event of failure by Iraq Government to do so.

It will not be possible to retain type of man desired without such conditions. Until details of (? services) to be rendered and general terms of officers are known, it is difficult to define what form these guarantees should take; but if you agree with above in principle, next step would be for me to open negotiations with Feisal on these lines, and for you to (1 group) to what extent His Majesty's Government are prepared as apart from (2 groups) on their behalf to (? group omitted) payment of compensation to officers whose contracts hereafter may be (1 group) broken by Iraq. I suggest for (? consideration) that (? payment) be secured either on (money)s recovered from this country by Disposals Board, or on (? specific) property of port of Basra, or its proceeds if we liquidate it. *Prima facie* latter seems to be the more satisfactory solution. The point has, however, probably had your attention already, and until I hear from you further it might be (1 group) for me to (?) develop it.—Cox.

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* No. 14.

48744

No. 16.

IRAQ.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 12.30 p.m., 12th October, 1921.)

TELEGRAM.

(Paraphrase.)
(No. 441.)

BRITISH STAFF. Your telegram dated 27th September, No. 529.* From the views expressed in the above-mentioned telegram, I am led to hope that after discussion with Young you will be able to put forward agreed proposals, or that the issue will at least have been considerably narrowed down. I should prefer therefore to postpone discussion by telegraph.—SECRETARY OF STATE FOR THE COLONIES.

56181

No. 17.

IRAQ.

MAJOR YOUNG to SIR J. E. SHUCKBURGH.

[*Answered by Nos.* 18 *and* 19.]

(Extract.)

DEAR SHUCKBURGH, Baghdad, 23rd October, 1921.

* * * * * *

In addition to setting a final term to the Mandate by making the Treaty for a specified number of years, we propose to recommend that the Iraq Government should agree to employ for varying periods British or other foreign officials in certain specified posts, which will be enumerated in a schedule to the Treaty. Let us assume, for example, that the period of the Treaty will be fifteen years. It is conceivable that the Iraq Government will agree that certain posts in the Interior and in the Ministries of Justice and Finance should be reserved for British or other foreign officials for the whole of this period. We have not quite made up our minds whether to stipulate "foreign" officials, "British" officials, or "British or other foreign" officials. There will, of course, be a rider to the effect that none of these officials shall be appointed or dismissed without the concurrence of the High Commissioner. It appears to me that with this safeguard we can safely leave out the word "British." I should be glad of your opinion, by telegram, on this point.

Secondly, Sir Percy Cox and I have arrived at entire agreement as to the distinction to be drawn between officials of His Majesty's Government and officials of the Iraq Government, whether Arab or British. You will see from the enclosed Circular (marked "A"), which has been sent round to all Advisers, the line upon which Sir Percy Cox proposes to make recommendations to the Secretary of State. Before I ask you for your views on the various hypotheses (*a*) to (*i*) which are set out in this note, I should like to explain to you what I found to be the prevailing feeling out here when I arrived. The British officials out here have seen a sudden change of policy, which has resulted not only in a large reduction of troops, but also in a considerable diminution of the British Political Staff employed out here. There is a general feeling of uncertainty and insecurity. Everybody knows, and it is only right that they should know, that what we are trying to do is distinctly a bit of a gamble. This, I think, they are prepared to accept, or, at any rate, the majority of them are. What they do not and cannot accept is that in addition to this, as we hope, temporary gamble there should also be insecurity for themselves so to speak within the terms of the gamble. I enclose a copy of the Notes† (marked "B"), on which I have been basing my heart to heart talks with British officials out here. I should be glad to know at once, by telegram, if there is any point in these Notes which ought to be corrected. I have made it perfectly clear to everybody that I am only explaining the policy as I understand it. If I have misunderstood it in any way I should be glad to be told at once so that I can correct any false impressions

* No. 15. † Not printed.

to which I may have given rise. I have, of course, been in the closest touch with Sir Percy Cox, and have said nothing whatever without first obtaining his concurrence. He has seen the Notes marked "B," and entirely concurs in them so far as he is concerned. In the same way the Circular marked "A" was fully discussed, first with him and then with every responsible officer concerned, before it was drafted, and eventually it was approved by him in its final form. I should now like to ask you to inform me by telegram whether there are any of the nine hypotheses in the Circular which we cannot assume will be accepted by His Majesty's Government.

(*a*) I think there can be no doubt about.

(*b*) Appears to me to define sufficiently what we require from the Iraq Government during the period of the Treaty, but I should be glad to know whether there is any other point which I have inadvertently omitted.

Hypotheses (*c*) to (*h*) are an attempt to define clearly in words the conclusions at which I, myself, the Conference at Alexandria, and Sir Percy Cox and his Staff have unanimously arrived. You will remember that I have always felt very strongly that we should be only asking for trouble if we exercised any kind of official control through an individual who was theoretically a servant of the Iraq Government. I confess that my original idea was that it should be impossible for us to allow the Advisory staffs in the districts to be anything but servants of His Majesty's Government. In the Note which I sent you from Cairo I pointed out that the Interior presented considerable difficulties, and that the question would have to be more fully discussed out here. I am now satisfied that, providing the British officials in the districts are under the direct orders of a responsible British official, who [even if he] is himself a servant of the Iraq Government, it is not necessary that they should in any way be connected with His Majesty's Government. I understand that Cornwallis is going to propose, in reply to Circular "A," that in the Interior alone there must still be one official who is called an Adviser. The reason for this is that the time has not yet arrived for the responsible British official in the Interior to be under the orders of the Minister of the Interior. Cornwallis has suggested, and I think his suggestion is a sound one, that the Adviser to the Interior, whatever we may eventually decide to call him, should be equal to the Minister, but under the direct orders of the Prime Minister. If we can find a name for him other than Adviser, I should like to do so, but we will go into this point together, and let you know what we arrive at. We are all agreed that the remainder of the British officials employed in the Interior should no longer be called Advisers, but Inspectors and Assistant Inspectors, and that, for the present at least, each of them should be to the Arab official with whom he is working in the same relation as Cornwallis will be to the Minister of the Interior. We realize that the time may come even before the Treaty period is over, when it will no longer be necessary to have a British officer actually sitting by the side of each Arab official. The Inspectors, as we now propose to call them, will remain directly under the orders of Cornwallis for the present, and will have advisory as well as inspectoral functions. As soon as their advisory functions can be dispensed with they will come directly under the Minister to the Interior instead of under Cornwallis.

What their relations should then be with Cornwallis need not now be discussed, but we are inclined to think that, for the present, they must be under his direct orders if the Arabs will agree to this. In all other Ministries we think that it will be sufficient if the second-in-command of the Arab Minister, whether you call him an Under-Secretary or Inspector-General or a Director, is an Englishman. The idea is that he should keep in close touch with the British official on the High Commissioner's staff who is responsible for giving him expert advice on the subject concerned, and should let him know at every stage what the Minister is proposing to do. The High Commissioner's expert would then give him an indication of what line His Majesty's Government would eventually take about the proposal. He might have to refer the matter to the High Commissioner, who might, in his turn, refer it to the Colonial Office, but so long as the question arose at a sufficiently early stage in the proceedings, there would be plenty of time for the view of His Majesty's Government to be made known informally to the Arab Government through the Minister concerned, before any legislation or resolution was passed by the Cabinet. If, in spite of the unofficial warning given in this way, the Minister decided to proceed with his proposal and the Council of State agreed with him, the High Commissioner would, in the last resort, have to exercise the functions which we intend shall be secured to him by Treaty, and insist upon the King sending the Bill or resolution back to the Cabinet for reconsideration. I should perhaps explain at this point

that the present procedure is that any Bill or resolution passed by the Council of State is sent to the High Commissioner at the same time as it is submitted to the King for his approval. The High Commissioner reserves to himself the right to comment within a specified time, and, if necessary, to insist that a change should be made. If our proposed procedure is followed and the High Commissioner is kept informed, through his own staff, stage by stage, of the line which the Arab Government intends to take, and has had time, if necessary, to refer it to His Majesty's Government, he will always be in a position to express his official view to the King without undue delay, but we all hope that the necessity of bringing official pressure to bear would never arise so long as the Arabs are convinced that we are really working together for the common benefit of Iraq and of His Majesty's Government, and not working against each other.

The only remaining hypothesis, and it is a very important one, is hypothesis (*i*). I have explained to everyone who has asked me what guarantee there will be that British officials are properly treated, that it is impossible for us to commit ourselves in advance until we know what the picture is and what the commitment is likely to be. I have pointed out to them that owing to lack of foresight on the part of the unhappy individual who was dealing with Palestine under the Foreign Office —which was myself—certain promises of permanent employment in that country were given before the Palestine picture was complete, and that, in consequence, we found ourselves up against a rather difficult situation, when we wished to recast Palestine administration. We were determined that a similar situation should not arise in Iraq. Vernon, whom I playfully refer to as "my Mister Jorkins" is, most unfortunately, out of action. I am therefore not in a position to say even what the Colonial Office view would be about guaranteeing adequate compensation to such officials as might have a justifiable claim against Iraq Government arising out of the terms of their engagement in the event of the Mandate unexpectedly coming to an end before the expiration of the Treaty period. My own view is that this is what Mr. Balfour would call a melancholy possibility upon which we should not allow our minds to dwell. At the same time it is perfectly clear that you cannot expect British officials to accept the position in this country with no sort of guarantee at all. All that I have undertaken to do is as soon as the picture is complete to work out exactly what the liability would amount to in the event of the Mandate coming unexpectedly to an end after one, two, three, five or ten years, as the case may be. I have said that I felt sure that so far as my side of the department went, every possible effort would be made to induce the Treasury to guarantee in this event, which would, of course, involve an immediate cessation of the very much larger financial commitment which we must necessarily incur under the Mandate, that British officials should be paid an adequate compensation out of the saving which would thus accrue to Imperial revenues. It would be an immense relief to everyone out here, and would, at the same time, make the whole of this Treaty discussion a very much easier thing to carry through if Sir Percy Cox could be assured by telegram that hypothesis (*i*) is a correct one. I do not pretend to understand the financial point of view, but it seems to me to go without saying that if the unexpected happens, our policy fails, and we have to leave this country altogether, we cannot fail to give adequate compensation to the unfortunate people who have given up all other prospects in life in order to try and make the policy a success. It is no good saying to these people that we are determined to see the policy through, and that we will not allow ourselves to contemplate the possibility of its failing. This is, of course, the case, but it does not help a married man with a family to be told this, nor, indeed, are there many bachelors who would be content with this assurance.

With regard to guarantee during the Treaty period, I see no difficulty at all. The first part of hypothesis (*i*) is, to my mind, self-evident. What I want to impress upon you is that the second part is just as important as the first, and unless we can get the Treasury to agree to it we shall not only run the risk of the whole machine out here breaking down as a consequence of the defection of a large proportion of experienced officials who are now here, but we shall find it almost impossible to get anybody to take their places.

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APPENDIX "A."

(No. SD 2825.)

Secretariat of His Excellency the High Commissioner for Iraq,
Baghdad, 23rd October, 1921.

(Personal and Secret.)

Circular Memorandum.

To

ALL ADVISERS TO MINISTRIES.

IN continuation of Circular Memorandum No. 17475. dated the 8th October, 1921, I am directed by His Excellency the High Commissioner to inform you that he has received instructions to discuss with His Majesty King Faisal the terms of the Treaty between His Majesty's Government and the Iraq Government by which the exact relations between the two Governments during the continuance of the Mandatory condition shall be defined, and before proceeding to do so he would be glad of your early observations on the four points enumerated below.

Your recommendations should be based on the following hypotheses :—

(*a*) That the ultimate policy of His Majesty's Government is the progressive establishment in partnership with the Arab Government of an Independent State of Iraq, friendly to and bound by gratitude and obligation to His Majesty's Government.

(*b*) That His Majesty's Government expect, while the Mandatory relation lasts, to be placed in a position to fulfil their international obligations, including those principles which are ultimately approved by the Council of the League of Nations, on the lines of the draft Mandate already presented to them.

They also expect to be placed in a position to protect the interests of the British taxpayer and of British officials employed in Iraq, by securing the adoption of a sound financial and fiscal policy which will result in an increasing contribution from Iraq revenues to the cost of such British garrison as may by agreement between them and the Iraq Government be maintained in the country.

(*c*) That the basic principle governing the relations between His Majesty's Government and the Iraq Government will be that official control as such should be exercised by no one but the High Commissioner himself.

(*d*) That in order to enable him to exercise this control the High Commissioner will be provided with an adequate staff under his direct orders and officially distinct from the Iraq Government.

(*e*) That this staff will consist of a responsible second-in-command or Councillor, a Judicial Commissioner, a Financial Commissioner and the Officer commanding the British garrison—each with the necessary staff. All these will be servants of His Majesty's Government, and not of the Iraq Government.

(*f*) That all other British or foreign officials employed in the country will be servants of the Iraq Government, the Iraq Government agreeing by Treaty to reserve certain specified posts for a specified period to be filled by British officials, who shall not be appointed or dismissed without the concurrence of the High Commissioner.

(*g*) That all communications passing between officials in the Iraq Government, whether Arab or foreign [on the one hand] and British officials on the High Commissioner's staff [on the other] will be purely informal and unofficial, but in order to ensure the closest possible contact between them, an agreement will be arrived at with the Iraq Government that certain specific matters shall be discussed at certain stages by the Iraq official concerned, whether Arab or British, with the British official on the High Commissioner's staff who is primarily interested in the question.

(*h*) That the word "Adviser" will disappear altogether from the nomenclature of British officials in Iraq, as it is at present associated with the idea of dual functions and dual responsibility, which it is the intention of His Majesty's Government to avoid in the future.

(*i*) That so long as the Mandate lasts His Majesty's Government will accept responsibility for ensuring that the terms of employment upon which British officials are engaged will be scrupulously carried out, and that in the event of the termination of the Mandate they will guarantee adequate com-

pensation for breach of contract or unforeseen termination of services to such officials as have a justifiable claim against the Iraq Government arising out of the terms of their engagement.

Points upon which your opinion is invited.

1. What is the maximum and minimum number of posts in the departments with which you are personally concerned which you consider the Iraq Government should agree to reserve for British or foreign officials?

What are these posts and what are the maximum and minimum periods for which you consider they should be reserved?

What are the approximate terms which you consider would have to be offered in order to secure the services of British or other foreign officials with the necessary qualifications for the periods suggested?

2. What is the class of subjects in respect of which you consider His Majesty's Government must necessarily exercise some degree of control in order to secure the fulfilment of the requirements specified under (*b*) above?

3. At what stage do you consider that informal discussion between officials of the Iraq Government and officials on the High Commissioner's Staff is essential in order to preclude the necessity of the High Commissioner himself eventually exercising direct and official control by insisting that legislation or resolutions passed by the Iraq Cabinet must be sent back by the King for revision?

It should be borne in mind that the policy of His Majesty's Government is so far as possible to avoid in practice exercising the powers of control which will have to be insisted upon in the Treaty. The guiding principle should be that the two Governments have a common interest and a common policy, and that any tendency to divergence of opinion should be checked informally at the earliest possible moment

4. With which British official or official on the High Commissioner's Staff do you consider that your department should be primarily in contact?

It is not suggested that the departments of the Iraq Government should have informal access to only one member of the High Commissioner's Staff, but it will probably be convenient for it to be recognized that the High Commissioner should always be approached informally by any one Arab Minister through the same member of the British Staff.

C. C. GARBETT,
Secretary to His Excellency
the High Commissioner for Iraq.

56181

No. 18.

IRAQ.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER

(Sent 8.45 p.m., 15th November, 1921.)

TELEGRAM.

(No. 525.)

15TH NOVEMBER. Following for Young. *Begins:* Your letter of 23rd October,* Appendix A. First eight hypotheses approved with following modifications. At end of second, add words "and to the liquidation of capital debts." In first and fifth lines of sixth hypothesis read "British or other foreign officials." Approval of sixth is subject to consideration of promised detailed proposals for Interior. Instructions as to last will be telegraphed after consultation with Treasury.—*Ends.*—SECRETARY OF STATE FOR THE COLONIES.

56181

No. 19.

IRAQ.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 12.35 p.m., 29th November, 1921)

TELEGRAM.

[*Answered by Nos.* 20 *and* 21.]

(No. 547.)

FOLLOWING for Young. *Begins:* My telegram of 15th November, No. 525.† British officials employed by Iraq Government. After discussion with Treasury of hypothesis (i), following arrangement proposed.

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* No. 17. † No. 18.

(1) Officials who do not belong to any pensionable Service, to be given contracts for periods not exceeding five years, subject to six months' notice of termination on either side. Contract to be renewable.

(2) If contract is broken before expiry of five years through no fault of employee, either with High Commissioner's concurrence or through change in His Majesty's Government's relations with Iraq, and six months' notice cannot be fully worked out, pay to be given for that period of six months not so worked, provided equivalent employment under High Commissioner or other Imperial Administration is not available.

(3) In addition gratuity equal to one month's pay for each year of service, including non-military service under civil administration, previous to this proposed arrangement, to be given, subject to minimum gratuity of three months' pay.

(4) If contract renewed, terms above as regards six months' notice and gratuity will apply to total contract.

(5) Iraq Government to undertake in Treaty not only to reserve posts for British or other foreign officials, but also to carry out contracts on the above basis and to set aside from revenue sums to provide for payment of gratuities by forming a fund which would be held by the High Commissioner.

Above suggestions are tentative only, but represent limit beyond which Treasury would probably be unwilling to go. Please telegraph your observations and forward details by Air Mail as to scales of pay and form of contract proposed, as well as number of officials.—*Ends.*—SECRETARY OF STATE FOR THE COLONIES.

60371

No. 20.

IRAQ.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 6.20 p.m., 4th December, 1921.)

TELEGRAM.

3RD DECEMBER. No. 753. Following for Shuckburgh from Young. *Begins:* Your telegram No. 547.* (1) One of main objects of hypotheses that all servants of Iraq Government should be treated on same basis was to [?remove] dissatisfaction caused by our original suggestion that Advisory (?) (?) Staff should only be given 5 years' contract. Please refer to High Commissioner's telegram of 19th July, No. 318,† paragraph 2, which explains in detail objections to limitation of contract period to 5 years.

Present suggestion would have effect of spreading this dissatisfaction amongst all British officials, including Advisory Staff. If Treaty reserves specified posts for periods, which in most cases exceed 5 years as shown in Appendix A to my letter of 19th November,‡ the only apparent objects of limiting period of contract to 5 years are to reduce commitments in the event of Treaty period coming to unexpected end. Paragraph 4 of your telegram states that 6 months' pay in lieu of notice is not increased on (?) renewal of contract, only additional commitment being increase of gratuity. Provided that Iraq Government undertakes, as in paragraph 5, not only to reserve posts, but also to carry out contracts, is there any necessity to limit period to 5 years?

2. No specific mention was made of Treasury guarantee, but yearly provision of Iraq Government for one month's pay towards provident fund is tantamount, as long as Iraq needs financial (?) assistance promised, to a corresponding increase of Imperial grant in aid. Assuming that this is realized, I take it that Treasury guarantee is implied, but should be glad of confirmation.

3. The six months' gratuity in lieu of notice cannot, however, be met by Provident Fund; at any rate for some years, except in individual cases. Paragraph No 5 makes no provision for contingencies, all officials being unexpectedly dispensed with before completion of 5 years, as result of possible changed relations between His Majesty's Government and Iraq. (?) Is it proposed that Treasury should guarantee to meet this liability?

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* No. 19. † No. 7. ‡ 61191: not printed.

16

4. I realize that until picture is complete it is difficult for His Majesty's Government to give final ruling, but it is equally difficult to complete picture without some specific indication of probable guarantees. My own view is that correct solution is system of contracts maximum period in each case (?) being term of years for which post is reserved by Treaty, with Provident Fund subscribed to equally by Iraq Government and officer concerned, Treasury guaranteeing to accept liability in the event of unexpected termination of Treaty relation to make good, on graduated scale, a certain proportion of unearned pay. For example, a fifteen years' man might be guaranteed 5 years' pay if contract broken before 10 years; a 10 years' man 3 or 4 years' pay if contract broken before 7 years; and a 7 years' man 1 year's pay if broken before 3 years. I recognize that this would involve a larger potential commitment during early years of mandate, but this would only materialize if mandate were terminated before expiration of Treaty period, during which individual cases could still be met by Provident Fund. Alternative would be payment of far higher salaries in order to ensure retention of right men, and consequent increased burden on Iraq revenues which would increase our difficulties, including Iraq Government to reserve number of posts, which I consider necessary, and would also react on grant in aid. *Ends.*—Cox.

60390

No. 21.

IRAQ.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 4.10 p.m., 4th December, 1921.)

TELEGRAM.

(Paraphrase.)
(Confidential.)

3RD DECEMBER. No. 754. In continuation of my immediately preceding telegram,* following is for Shuckburgh from Young. *Begins:* We are proceeding with discussions of maximum and minimum number of British officials for whom posts must be reserved by Iraq Government in Treaty. Totals of one hundred and eighty-five minimum and three hundred and eleven maximum are purely tentative, and will almost certainly be altered. Actual numbers depend on extent of our obligations, see High Commissioner's telegram dated 20th November, No. 699.† The more mandate is watered down the less will be necessity for insistence on reserved posts. We shall be (?) in a position to commence discussion with Faisal as soon as you can tell us what are minimum obligations which will satisfy League and America. But before we can present complete picture giving proposed terms of contract and names, grades, and salaries, it is essential that we should know, firstly, whether period of contract must necessarily be limited to five years, and, secondly, whether His Majesty's Government agree in principle to guarantee of compensation in event of (?) termination of contract arising out of changed relations between Government of Iraq and His Majesty's Government. It would be convenient if final views of His Majesty's Government on above points were addressed not to me but to High Commissioner. *Ends.*—Cox.

60371

No. 22.

COLONIAL OFFICE to TREASURY.

Downing Street, 15th December, 1921.

SIR,

I AM directed by Mr. Secretary Churchill to refer to discussions which have taken place recently between representatives of the Treasury and of the Middle East Department of the Colonial Office on the subject of the terms to be offered to British officers who take service in Iraq as servants of the Iraq Government, and to transmit copy of a telegram (No. 547 of 29th November‡) which, as the result of those discussions, was sent to Major Young, the Colonial Office representative in Iraq.

* No. 20. † 57834: not printed. ‡ No. 19.

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I am also to transmit, for the consideration of the Lords Commissioners of the Treasury, copies of two telegrams* in which Major Young comments upon the proposals conveyed in the above-mentioned telegram. A copy of the High Commissioner's telegram to which Major Young refers (No. 318 of 19th July†) was sent to you in July.

Mr. Churchill trusts that Their Lordships will be prepared to give assurances on the second and third of the points raised by Major Young. As to the first and fourth points, Mr. Churchill trusts that Their Lordships will give them very favourable consideration. As Their Lordships are probably aware, many of the British officials in Iraq are young men who, if they had decided to return to England at any time after the Armistice, might have assured their own future but would have embarrassed the administration of Iraq very seriously and might possibly have caused its collapse; and in many cases it is as much loyalty to work to which they have set their hands as the prospect of a career which has kept them at their posts without any guarantee whatsoever of permanent employment or of adequate compensation should that employment come to an end. In the circumstances Mr. Churchill feels very strongly that His Majesty's Government have an obligation to these officers who are assisting him in the execution of a very difficult policy, to offer them not the worst terms which their sacrifice of other opportunities might be expected to compel them to accept, but terms which will be a reasonable return for the physical and financial risks which their acceptance of further employment in Iraq would involve.

As this question is one which it is desired to settle while Major Young is in Iraq, Mr. Churchill requests that Their Lordships may be moved to furnish him with their observations at a very early date.

I am, &c.,
J. E. SHUCKBURGH.

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* Nos. 20 and 21. † No. 7.

Not to be destroyed.

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Middle East.
No. 4.

CONFIDENTIAL.

IRAQ.

REPORT

ON THE

IRAQ ARMY AND LEVIES.

BY

LIEUTENANT-COLONEL R. MEINERTZHAGEN, D.S.O.,
Military Adviser to the Middle East Department.

COLONIAL OFFICE,

March, 1923.

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Report on the Iraq Army and Levies.

Altogether, 2 months and 17 days were spent in IRAQ. During that period every place where local troops are stationed was visited, with the exception of AKRA. Owing to the heavy rains this place could not be reached by either air, car or other means.

Some delay was caused, when at MOSUL, owing to the unusual heavy rains, which continued almost without a break for 14 days, placing aerodromes under water and rendering all roads impassable.

During the period of my visit, every assistance was received from the High Commissioner and his staff, the Air Officer Commanding and his staff, and from officials, both Civil and Military throughout IRAQ, which was of great value and much appreciated.

1. General Military Conditions in IRAQ.

The present strength of the IRAQ garrison is thought to be of a hybrid nature, being all too weak to repel an organised Turkish invasion, and too large for purposes of internal security.

In the former eventuality there are no reserves, and, in fact, but a handful of regular troops to meet Turkish regular forces. The Arab Army and Iraq Levies are not in a fit state of efficiency, nor numerically strong enough successfully to oppose a Turkish advance. It is doubtful whether the political results of a Turkish move on MOSUL, and the long line of communication to be guarded, will permit of anything but a small column of ground troops being maintained in the field. There is also the question of transport. The Levies hire what transport they require, the Arab Army have two regular transport companies, which would be insufficient for their needs, and regular units would have to rely largely on local hiring. Local transport could not meet these demands, and, except for purely local operations, a column of over a brigade would be immobile.

There remains the Royal Air Force. Though I express confidence in the Air Force Scheme for the defence of IRAQ under the conditions for which it was framed, it is difficult with equal confidence to extend its scope to opposing a Turkish invasion. Unaided by a considerable force of ground troops, air power could do no more than inconvenience and delay the Turk.

Suggestions for the removal of the Turkish menace are beyond the scope of this report. Our garrison in IRAQ, when faced by a threat of Turkish invasion, is admittedly a bluff and the policy a gamble. Whether or no the risk has been justified is another question. Little as I share the general feeling in IRAQ that a Turkish invasion is imminent, it is quite evident that our present garrison would be hopelessly outmatched by an organised Turkish invasion. Indeed, it was never intended to meet such an eventuality.

So soon as the results of a satisfactory peace with Turkey are apparent in IRAQ, and provided our present military frontier on the Kurdistan border is not pushed forward, the garrison can at once reduce with safety to the "Four Battalion" Scheme, and a Levy Battalion can be disbanded. As IRAQ finances permit of the Arab Army being increased, the Levies could then suffer corresponding reductions till reduced to two cavalry regiments, two infantry battalions and a battery. The duties of the Levies would then be confined to those of a Kurdish Frontier Force based on MOSUL, but could not be further reduced so long as we hold our present military frontier (**ZAKHO—DOHUK—ERBIL—KIRKUK—KHANIKIN**) in Kurdistan.

Regarding the military problem of Kurdistan, any advance from the present line we hold is to be deprecated. Our present line can be easily and economically held, even though the political situation in Kurdistan becomes desperate.

Any attempt at a forward policy in Kurdistan, unless we have the Kurds wholeheartedly with us, will involve us in chronic operations of a difficult nature. The country is not dissimilar to that on the Indian North-West Frontier, the Kurds are good fighters after their own manner, and probably not to be excelled in treachery.

By the frequent use of aircraft and the sparing use of Levy columns and Police, some sort of order can be maintained in Kurdistan, though administration will almost entirely lapse. But to hope to hold Kurdistan by a military garrison and enforce any form of efficient administration, would entail a much larger garrison than is at present available in IRAQ.

IRAQ LEVIES.

2. General Efficiency of IRAQ LEVIES.

(*a*) *British Officers.*—The outstanding feature of Levy officers is their keenness and cheerfulness under difficult and trying conditions. The standard set by the few Regular officers is high, and those officers who are not Regulars are, with a few exceptions, keen and satisfactory.

(*b*) *Training.*—In the past, the standard of training has been set too high, with the result that the simplest forms of military schooling have been neglected. For this reason the Levies are neither highly nor well trained. Their barrack square drill is good and smart, but their training in the field and musketry is crude. Training is, however, now being placed on a sounder basis, and great progress can be expected.

The weak point in the Levies is the Native officers and non-commissioned officers. Almost without exception they are ignorant of their work, and have little power of command or leadership.

This will be considerably remedied when the Levies receive their full complement of British officers. But even so, it must not be expected that the standard of efficiency in the Levies can approach that of native units where the proportion of British officers is the same as in the British Regular Army.

They can, in time, become first-class irregular troops. To try and create anything more efficient would be to repeat the mistakes of the past and cause deterioration in efficiency.

(*c*) *Discipline.*—Crime of any sort is rare. Allowing for the usual laxity among Native non-commissioned officers in bringing crime to notice, discipline is on the whole satisfactory.

(*d*) *General.*—The Levies are not considered sufficiently trained to meet Turkish Regular troops with any chance of success, though they are rapidly approaching such a state of efficiency. Meanwhile, they are well fitted to the type of work for which they were intended, viz., the suppression of local risings and as a Kurdish Frontier Force. The above remarks must be conditional on British leadership. Without their British officers the Levies will fail, and the general efficiency of the Levies will be in exact proportion to the quality and quantity of the British officers serving with them.

3. Administration.

The following questions were still unsettled on January 15th, 1923.

(*a*) Pay of Levy Officers.

(i) *Field Allowance.*—This was dealt with in High Commissioner's telegram 805* of November 17th, 1922. It is understood that the principle of field allowance for the Levies has been accepted by the Treasury, but that the suggested rate of Rs. 3 per diem is not yet agreed. Owing to the conditions under which Levy officers live, a field allowance at this rate is justified and recommended, under the same conditions as pertain in the British Army in IRAQ.

(ii) *Travelling Allowance.*—Also dealt with in above-quoted telegram. Certain small expenses are incurred by Levy officers when travelling on duty, and it is recommended that they receive the same rate as is customary in the British Army in IRAQ.

(iii) *Income Tax.*—Fully dealt with in the above-quoted telegram and in my letter to Mr. Vernon from Baghdad dated November 20th, 1922.†

(iv) *Levy Paymaster.*—It is understood that the present incumbent is unwilling to accept the lower rate after March 31st, in which case a suitable officer must be sent out from the United Kingdom.

(v) *Command Allowance for Commandant.*—There is now no Second-in-Command to the Levies. In the absence of the Commandant, the senior unit commander takes his place and relinquishes his 10*s.* a day command allowance, though assuming greater responsibilities. It is considered that, if, during the absence of the Commandant, another officer acts in his place, the latter should receive 10*s.* a day command allowance.

(vi) *General.*—Provided the above questions are satisfactorily settled, the Levy officers are well—though not over—paid. It may be here remarked that the average mess-bill of a Levy officer is from Rs. 360 to Rs. 400 a month.

With reference to the remarks by the Air Officer Commanding, dated November 20th, 1922,† and forwarded with my letter of same date, the necessity of officers knowing the language of the men they command is fully appreciated, but, as so many languages and dialects are spoken in the Levies, it would be unfair to insist on any such qualification as suggested by the Air Officer Commanding. Arabic of more than one dialect, Kurdish, Turkish, Assyrian

* 57035/22 (not printed). † 62231/22 (not printed).

and Persian are all spoken, and if we are to allow the principle of interchangeability of officers from one unit to another, we cannot well insist on a language test. The 7*s.* 6*d.* a day should be regarded, as it was intended, as a Levy allowance, and any attempt to regard it as a language allowance is to be deprecated.

A comparison between the pay of the Levy officers and those of officers in the Royal Air Force is not fair. The general conditions under which Levy officers live in IRAQ are harder and more expensive than those customary in the Royal Air Force. Levy officers are not normally in touch with social amenities, their accommodation is not so good. They are serving with coloured troops. There is also the question of risk. With a recent record of 7 killed in 7 months, Levy officers cannot be said to live a life of security, and such a record of risk, constituting 7 per cent. per annum, is believed to be in actual excess of that suffered by the Royal Air Force among their flying officers.

(vii) *Quarters.*—Levy officers and British non-commissioned officers serving with the Levies are entitled to free quarters but not to furniture.

(viii) *Outfit Allowance.*—This is an outstanding question. The sum of £40 is considered sufficient, and should be allowed with retrospective effect.

(*b*) Pay of Rank and File.

Three rates of pay for native ranks exist in the Levies. The High Commissioner recently sanctioned a rate of Rs. 45 for Assyrians, Rs. 40 being pay and Rs. 5 family allowance. Other categories of men receive, if enlisted before October 1st, 1922, Rs. 35 pay and Rs. 10 proficiency pay, and, if after the above date, Rs. 35 pay and Rs. 5 proficiency pay.

Whilst admitting that these rates are generous, all Levy officers agree that it would be unwise for the moment to alter or reduce them. Such action would have an upsetting effect. Recruiting would be seriously affected, and Assyrians would be deterred from coming forward to enlist, which at the present time would be disastrous. When we enjoy less troublous times in IRAQ, this matter can be again reviewed.

(*c*) Information for British Officers on Joining Levies.

A Circular has been addressed to all unit commanders in the Levies, and so soon as replies have been received a combined memorandum will be furnished by the Officer Commanding Levies, giving full information on this subject.

(*d*) Terms of Service for British Non-commissioned Officers in the Levies and IRAQ Army.

This was fully dealt with in my letter to Mr. Vernon of November 20th, 1922,* to which no reply had been received on January 15th, 1923.

(*e*) Code under which Levies are Administered.

The Levies are at present administered under the Arab and Kurdish Levy Proclamation of 1920. It would be more satisfactory and regular if they were administered under the Army Act, which provides for the administration of such a force (*see* Army Act, Section 176 (3)). There would be no difficulty in having the Arab and Kurdish Levy Proclamation repealed by King Feisal.

(*f*) Levy Contracts.

Contracts for buildings are placed by the Royal Engineers for the Colonel-Commandant. The Royal Army Service Corps at Air Force Headquarters place ration contracts. Ordnance Stores are either obtained from surplus Army or Air Force stores, or are purchased locally as required. Tenders are called for by the Colonel-Commandant.

Medical and sanitary supplies are purchased locally.

(*g*) Scale of Rations.

The rationing of the Levy soldier, done under contract, costs Rs. 13.8 per man per month.

* 62237/22 (not printed).

The scale is as follows :—

Wood or fuel oil	1½ lb.
Atta (flour)	1 lb.
Rice	8 oz.
Meat (deadweight)	6 oz.
Ghee	1 oz.
Sugar	1 oz.
Tea	¼ oz.
Salt	½ oz.
Dried fruit	2 oz.

On occasions when rations and cookhouses were examined, the quality of both the rations and cooking was highly satisfactory.

4. Organisation.

The present organisation of the Levies is—

(*a*) Unit Organisation and Composition.

Headquarters.
Infantry—

1st	Battalion	(Arab).
2nd	,,	(Assyrian).
3rd	,,	(Assyrian).
4th	,,	(Assyrian). To be reformed.

Cavalry—

1st	Regiment	Kurds and Turcomans. A few Arabs and Persians.
2nd	,,	Two Squadrons Kurds, one Squadron Assyrians.
3rd	,,	Arabs and Kurds. A few Turcomans and Persians.

Pack Battery.
Depot.

The Assyrian element in the Levies is undoubtedly the best. The men's interests are politically bound up with ours. They are naturally cheerful, smart and amenable to discipline. They are probably the best and most reliable military material in IRAQ, but their numbers are limited.

The Arab element in the Levies may be divided into two classes—town and tribal. The only exclusively Arab unit is the 1st Battalion which is recruited from the AMARA (Tribal) Arabs. The small percentage of Arabs in other units is mainly drawn from Town Arabs. Though the Arab is slow to learn, quick to forget, stupid but conceited, he is probably better military material than the Kurd, who is thick-headed, dirty and treacherous. Of the two, the Kurd is less reliable than the Arab.

Given equal opportunities, it is doubtful whether either the Arab or Kurd would produce such an efficient unit as would the Assyrian.

The policy of eliminating the Arab element from the Levies need not for the moment be insisted on. The 1st (Arab) Battalion is one of the finest of the Levy units, and its recruiting does not in the least interfere with recruiting for the Arab Army, who draw their men almost entirely from the towns. Moreover, for financial reasons, the Arab Army is unable to increase its strength for some time to come, unless conscription is introduced. This matter is, however, fully discussed in the Report on the Arab Army.

(*b*) Establishment.

This question was dealt with in my telegram No. 816 of November 20th, 1922,* to which no reply had been received on January 15th, 1923.

A total establishment of 45 British non-commissioned officers was advocated. This figure is composed as follows :—

In Battalions—

1 Clerk. Orderly Room Sergeant.
1 Stores non-commissioned officer.
1 Lewis Gun.
1 Vickers Gun.

* 57939/22 (not printed).

In Cavalry Regiments.—

As in battalions ; the Lewis gun non-commissioned officer being replaced by a Farrier Sergeant.

Battery—

2 Section Sergeants.
1 Clerk.
1 Stores non-commissioned officer.

Depot—

7 Sergeant Instructors, 2 of whom should be signallers.

Headquarters—6.

In coming to this decision, it was thought that British non-commissioned officers could be dispensed with as instructors in battalions and regiments, whilst retaining them as instructors at the Depot. Their position in units *vis-à-vis* Native officers is always a difficult question, and, except in a few cases, experience shows that when in direct contact with the men, the British non-commissioned officer deteriorates and soon loses his value. But at technical work his value is admitted and essential.

(*c*) Medical.

The medical organisation, establishment and personnel is as follows :—

1 *Senior Medical Officer.*—Col. Sandison, Special Reserve of Officers. Paid entirely from Levy funds since December, 1922.
2 *Medical Officers.*— Capt. Malcolm, R.A.M.C., stationed at MOSUL. Paid by Levies ; Capt. Escritt, R.A.M.C. Duties extend over ERBIL, KIRKUK and KHANIKIN.
2 *Assistant Surgeons* of the Indian Medical Department. 1 at ZAKHO, 1 at AKRA.
9 *Sub-Assistant Surgeons.*—1 each at FESHKHABUR, DULET, MOSUL, ERBIL, KIRKUK, KHANIKIN, NASIRIYAH, and 2 on leave.

(*d*) Health of Levies.

Officers.—Practically all officers are infected with malaria, and attacks are frequent, more especially among those who have been stationed at DULET camp. The conditions under which the officers of the 2nd Cavalry Regiment were living at MOSUL during the rains in November, 1922, were causing considerable sickness, but this will be remedied during the present year.

Rank and File.—Excellent. In many units but ½ per cent. were in hospital. Venereal, except among the Arabs, is rare.

5. Armament.

(*a*) *Artillery.*—The battery is armed with 2.75-inch mountain guns. There are 20,000 rounds in IRAQ for this battery, 3,000 being at MOSUL, 10,000 at HINAIDI and 7,000 at BASRA.

(*b*) *Automatic.*—Eight Lewis guns are allotted to each battalion. 4 Vickers guns are allotted to each Cavalry regiment and 4 to the 2nd and 3rd Infantry battalions.

(*c*) *Rifles.*—These are not satisfactory, but for the moment funds will not allow of renewal. It appears that in the past the Army has unloaded its oldest rifles on to the Levies, many being marked U (unserviceable). In most cases the grooving is badly worn, corrosion extensive, and the bolts do not necessarily belong to the rifle in which they are being used.

Care of arms is, however, good.

There is ample small-arm ammunition in Levy and Army stocks in IRAQ.

(*d*) *Equipment.*—Levy clothing and equipment is patchy but serviceable. The latter, owing to the methods of supply, is not of similar pattern. Equipment is web with leather bandoliers, and in some cases is in poor condition, notably in the 2nd Cavalry Regiment.

The Cavalry are armed with rifle and bayonet. In the 3rd Cavalry regiment the men are trained to mounted shock tactics with the latter. A supply of swords for Levy Cavalry is on order.

Saddlery, good.

6. Remounts—Equitation.

Remounts are generally satisfactory, though of an uneven type. A small percentage are quite unfit to carry the necessary weight of a Levy Cavalryman in marching order. The bulk of the horses are Arab or country-bred, walers being in the minority. The latter had not proved so satisfactory as the former.

Equitation.—Horsemastership and equitation were crude but satisfactory. It would be unfair to judge the Levy standard by comparison with regular units. Most of the men are natural horsemen, looking after their horses and riding well after their own fashion. Such methods under British supervision are proving satisfactory.

Sickness among the animals is remarkably small. Owing to the season of the year at which I visited the Levies, greasy heels were the prevailing cause of sickness. Sore backs were rare.

7. Distribution.

The present distribution of the Levies is :—

1st Battalion ..	.. NASIRIYAH. Under orders for MOSUL.
2nd Battalion ..	.. DULET, with 2 companies at ZAKHO and 1 at FESHKHABUR.
3rd Battalion ..	.. MOSUL, with detachment at AKRA.
4th Battalion ..	.. Being re-formed in the MOSUL area.
1st Cavalry Regiment	.. KIRKUK less 1 squadron at KHANIKIN.
2nd Cavalry Regiment	.. MOSUL.
3rd Cavalry Regiment	.. ERBIL.
Pack Battery ..	.. MOSUL.
Depot..	.. MOSUL.
Headquarters ..	.. MOSUL.

This distribution is not satisfactory for either administration or strategic purposes. The Arab battalion at NASIRIYAH is too far removed from Headquarters to be easily administered or inspected by the Commandant, and its move to the MOSUL area has become inevitable. The Arab Army have been asked to take over NASIRIYAH this spring, when the Levy battalion will move North to MOSUL.

For strategic and command reasons the levies should be concentrated in the MOSUL VILAYET, the following distribution being recommended :—

At MOSUL	.. Headquarters. Depot. Pack Battery. 1 Cavalry Regiment. 3 Battalions, less 2 companies at AKRA.
At ZAKHO . ..	.. 1 Battalion, less 1 company at FESHKHABUR.
At KIRKUK ..	.. 1 Cavalry regiment, less 1 Squadron at KHANIKIN.
At ERBIL	.. 1 Cavalry regiment.

The Levy Reserve at MOSUL cannot be too strong. Its present strength is two companies of Infantry, a pack battery and a Cavalry regiment. This is all too weak, considering the role of the Levies in IRAQ, and the fact that, apart from an immobile Imperial garrison, they are the only ground troops whose efficiency permits them to take the field in IRAQ with any chance of success.

The detachment now at DULET (near DOHUK on the MOSUL–ZAKHO road) serves no purpose, and the abolition of the camp is recommended. Its location is unsound, on both medical and tactical grounds, and it was constructed contrary to expert medical advice. It is to be regretted that so much money—Rs. 46,000—has been expended on a camp whose evacuation was inevitable and should have been apparent from the commencement. Considerable sickness and unprofitable expense has resulted.

8. Accommodation.

NASIRIYAH ..	.. Mud buildings, satisfactory.
MOSUL	.. Tents with mud-wall sides. Tents unserviceable and leaking. Camp a sea of mud after rain and percolated by natural springs. Officers' quarters half finished mud buildings and roofless in November, 1922.

DULET CAMP ..	.. Officers and British non-commissioned officers' quarters almost completed in December, 1922. Men in unserviceable tents.
ZAKHO	.. All ranks housed in good mud buildings with faggot and bitumen roofs or in mud-walled tents. Satisfactory.
FESHKHABUR ..	.. All ranks billeted in houses without rent. Satisfactory.
ERBIL	.. Officers, British non-commissioned officers, offices and mess buildings of mud and wood, which are satisfactory. Men in unserviceable tents. Horses in open roofed sheds.
KIRKUK	.. Whole regiment in old Turkish serai, including horses. Satisfactory.
KHANIKIN.. ..	.. Detachment in rented buildings.

If tent accommodation is to be continued, the number of tents required to replace those unserviceable will be 591, made up as follows :—

1st Battalion after move from NASIRIYAH to MOSUL	260
2nd Battalion—1 company only	65
3rd Battalion	42
4th Battalion	124
2nd Cavalry Regiment	54
3rd Cavalry Regiment	34
Pack Battery	12

It is understood that no serviceable E.P. tents are to be purchased in IRAQ. New tents of this pattern cost Rs. 1360 each in MOSUL after adding transport charges. A tent's life is some 4 years. Each tent accommodates 4 families, *i.e.*, costing Rs. 340 a family.

A good type of mud and plaster building can be erected at a cost of Rs. 3.25 per square foot. Allowing 100 square feet per family, the cost per family is Rs. 325 as against Rs. 340 in tents. The approximate life of mud buildings is 7 years.

The re-housing of the Levies in buildings is advocated, being more economical than tentage, which is now causing unnecessary hardship and sickness.

To re-equip Levies with new tentage would cost Rs. 8,03,760, or with buildings Rs. 7,68,300.

As building can only be carried out economically and satisfactorily from April to October, early sanction is vital. Owing to late sanction in 1922, much money has been wasted on unsatisfactory and unfinished buildings.

IRAQ ARMY.

9. General

All units of the IRAQ Army were seen at work.

Judging the Army as a whole, it is my considered opinion that it is a weapon which is wholly unreliable for military operations of a serious nature. The infantry would be suitable for garrisoning posts on Lines of Communication or for minor operations in aid of the Civil Power. The Cavalry and Artillery reach a slightly higher standard, but could not, in their present state, be used without grave risk against organised troops.

The officers and non-commissioned officers are only partly trained, apathetic, slovenly, and do not inspire confidence. In spite of the whole-hearted and loyal enthusiasm with which the handful of British advisers have worked for efficiency, little real progress has been made. This must be traced to two causes :—

(1) Lack of executive British control.
(2) The natural inaptitude of the Arab as a soldier, and the poor class of Arab who is enlisted ; both officers, non-commissioned officers and men being drawn from the soft, ill-developed, town-bred stock.

The former cause is a political necessity. So long as the Arab Army is a political extravagance, so long will it remain an inefficient luxury. The latter cause is similarly due to political considerations. The feeling between the Tribal and Effendi classes in IRAQ reflects itself on the material forthcoming for the Army, the Tribal element being unwilling to come forward by voluntary enlistment.

The future of the Army is not, however, without hope. Something has been achieved, a framework has been built up, and with the birth of a national spirit and an *esprit de corps* we may hope to see gradual improvement. The foundation work is good, the organisation and administrative departments are on a sound basis, and the system of training is on approved lines.

For the present it would be inadvisable to increase the strength of the Army. Its numbers are already more than enough to take up the full time of the British Advisory Staff, the sole factor which prevents complete decay setting in. At its present strength the Arab Army should slowly improve, and eventually represent an efficient nucleus which could be expanded when necessity and finance permit.

Conscription has been openly advocated, and it is believed that such a step would be welcome to the Ministry of Defence. Conscription would, no doubt, produce a better type of man. If, however, it were applied to the whole of IRAQ, the tribal element would resist with possibly serious consequences. If its application were confined to the town areas, we should not get sufficient advantages to justify the scheme. There is also the grave political mistake of excusing a community within a state from assisting in national defence, more especially when that excuse is based on fear of the consequences of enforcement.

It is agreed that at its present cost the Army could be doubled in numbers by conscription, but efficiency would suffer. In its present state any expansion means loss of efficiency.

10. Efficiency of Units.

There is small difference in efficiency between the various units of the Arab Army. The artillery and cavalry are slightly more advanced than the infantry in training, and appear smarter. An exception must be made in the case of the 3rd Cavalry Regiment, whose condition in every respect is worse than that of other units. The animals, at the time of my visit to TEL AFAR, were badly looked after, dirty and in poor condition. The camp and quarters were filthy, the lack of sanitary precautions was the cause of a plague of flies. No officers were on a parade held at my request, and those men whom I saw were dirty and devoid of all apparent pride or military qualities. In fairness, however, it must be mentioned that this unit is the youngest in the Army, is mainly recruited from an inferior TEL AFARI class of Arab, and has seldom been visited by a British officer, owing to the small number of the advisory staff at MOSUL.

In the cavalry of the Arab Army equitation is fair and horsemastership, with the exception of the 3rd Regiment, good. Sore backs are rare, but, in the 3rd Regiment, nearly 60 per cent. of the animals were suffering from greasy heels, which can only be attributed to gross neglect. In other regiments sickness among the animals was of a slight nature. Men are trained to rifle, sabre and lance.

Of the Infantry, the 3rd Battalion at MOSUL stands out as the most efficient, which is probably due to a better class of officer than is found in other battalions, to better opportunities for training, to more suitable training ground and a closer British supervision than exists in BAGHDAD and at HILLAH.

Musketry in all units is in an elementary stage and is rendered especially difficult through a lack of trained instructors within units. More especially in the infantry, the officers and men seemed apathetic of musketry results.

Care of arms good.

11. Distribution.

BAGHDAD	.. Headquarters. 1st Cavalry Regiment. 2nd Pack Battery. 2nd Battalion. 1st Transport Company.
MOSUL . ..	.. 2nd Cavalry Regiment. 1st Pack Battery. 3rd Battalion. 2nd Transport Company.
TEL AFAR ..	.. 3rd Cavalry Regiment.
HILLAH	.. 1st Battalion, less 1 company at HINDIYAH and 1 platoon at JAMAWA.

12. Composition of Men and Animals in Units.

Unit.	Men.	Animals.
1st Cavalry Regiment ..	Arabs	Walers.
2nd Cavalry Regiment ..	Half Arabs, half Kurds ..	Mules.
3rd Cavalry Regiment ..	Arabs	Mules.
All Infantry	Town Arabs	—

13. Accommodation.

At BAGHDAD and MOSUL all units are satisfactorily housed in good buildings. At TEL AFAR the accommodation is partly buildings and partly tents, and is satisfactory. At HILLAH the men are housed in a satisfactory building, the HINDIYAH detachment being under canvas.

14. Pay of British Advisory Staff.

The pay of the British officers employed under the Ministry of Defence is satisfactory, and no complaints were heard on this account.

A single officer can live in Baghdad or Mosul at an inclusive monthly rate of from Rs. 750 to Rs. 900 per month.

15. Military College at BAGHDAD.

The abolition of the military training college at Baghdad was advocated by the Local Economies Committee, and was accepted by the King late last year. Such a step is to be deprecated, being a false economy and deprives the Army of its main source of efficiency. Without the college, trained officers and non-commissioned officers will not exist, and efficiency will deteriorate. It is hoped that a recommendation made by Sir John Salmond's Committee on the reduction of the Defence Budget, to the effect that finance will allow of some form of training centre in Baghdad, will materialise. Without such a training centre, we cannot hope for progress in the Arab Army.

16. Appendix A.

Attached as Appendix A are statements showing :—

(i) Strength of the Arab Army by Units.
(ii) Details of Establishments of the Administrative Services.
(iii) Annual Cost of the IRAQ Army.
(iv) Overhead Administrative Charges.
(v) Statement of Cost of IRAQ Army.
(vi) Cost of Rations for Men and Animals.
(vii) Cost of Clothing.

APPENDIX A.

STRENGTH OF IRAQ ARMY BY UNITS.

—	British Officers.	Iraq Officers.	Rank and File.	Establishment.	Riding Horses.	L.D. Mules.	Ponies.	Ordnance Mules.	A.T. Mules.	Motor Ambulance.	Ambulance Wagons.	A.T. Carts.	—
Ministry	4	2	—	20	12	—	—	—	—	—	—	—	The Minister has not been included, but his Officers have.
*Headquarters and Administrative Services.	2	73	169	167	60	50	—	20	—	4	4	—	This includes Army Headquarters Staff, Mosul Brigade, Ordnance Department, Accounts Branch. Veterinary and Remounts, Medical and A.P.M. Establishment.
Infantry Battalions ...	1⅓	24	760	33	7	—	—	—	16	—	—	—	There are three such battalions.
Cavalry Regiments ...	1	24	328	53	371	8	—	28	—	—	—	10	There are three such regiments.
Pack Battery	1	5	215	17	9	—	—	126	20	—	—	—	There are two such batteries.
Transport Company ...	½	4	176	16	8	—	—	4	300	—	—	150	There are two such companies.

* Details on attached Schedule.

DETAILS OF ESTABLISHMENT OF ADMINISTRATIVE SERVICES.

	British Officers.	Iraq Officers.	Rank and File.	Establishment.
Iraq Army Headquarters	—	20	—	28
Mosul Brigade Headquarters	—	4	—	10
Recruiting Staff	—	16	Nil.	4
Medical	—	19	80	17
Ordnance Services	1	6	47	47
Veterinary and Remounts	—	5	2	48
Accounts Branch	1	1	—	7
Military Police	—	2	40	6
Totals	2	73	169	167

ANNUAL COST OF IRAQ ARMY.

	Rs.
The Ministry of Defence	2,19,000
Headquarters and Administrative Services (includes Headquarters Staff, Medical, Veterinary, Ordnance, Remounts, Recruiting Staff, A.P.M. Establishment and Accounts Branch)	10,38,583
3 Infantry Battalions at 8,96,480	26,89,440
3 Cavalry Regiments at 6,48,051	19,44,153
2 Pack Batteries at 3,39,969	6,79,938
2 Transport Companies at 3,32,784	6,65,568
Works	2,00,000
Officers' Half-Pay List: 28 Officers at average Rs. 200 p.m.	67,200
Grand Total	Rs. 75,03,882

N.B.—The above figures do not include the cost of 6 Mths. Reserve of Ordnance Stores which amounts to 3½ lakhs.
The sum allotted to works is an average figure, and is liable to a great deal of fluctuation.

OVERHEAD ADMINISTRATIVE CHARGES.

Ministry and Administrative Services ... Cost per annum ... ... Rs. 12,25,000

		Total Men.
Ministry and Administrative Services ...	420 men	420
3 Infantry Battalions	784 × 3 men	2,252
3 Cavalry Regiments	352 × 3 „	1,056
2 Pack Batteries	220 × 2 „	410
2 Transport Companies	200 × 2 „	400
		4,568

Cost per head per annum ... ... Rs. 268

		Rs.
Administrative Services	268 × 420	1,12,560
Infantry Battalions	268 × 2,252	6,03,536
Cavalry Regiments	268 × 1056	2,82,948
Pack Batteries	268 × 440	1,17,920
Transport Companies...	268 × 400	1,07,200
	Total	Rs. 12,24,161

Cost per Head per Soldier of Unit per Annum.

	Without proportion of above. Rs.	With proportion of above. Rs.
Infantry	1,144	1,412
Cavalry	1,841	2,109
Pack Battery	1,417	1,685
Transport Company	1,663	1,931

STATEMENT OF COST OF IRAQ ARMY.

	Pay and Allowances.	Cost of Men's Rations.	Cost of Animals' Rations.	Purchase of Animals.	Stores, Equipment, Clothing, &c.	Fuel and Light, Rent and Water.	Books and Printing.	Stationery.	Office Contingencies.	Postage and Telegrams.	Miscellaneous.	Travelling Allowances.	Mechanical Transport.	Medicines and Drugs.	Medical Comforts.	Sanitary Appliances.	Training Charges.	Conveyance of Troops and Stores, by Rail.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
The Ministry ...	1,56,500	5,690	2,088	4,800	1,350	18,440	1,000	5,000	—	4,500	6,030	10,070	3,220	—	—	—	—	—	
Headquarters and Administrative Services which include:—Headquarters Staff, Medical, Veterinary, Remounts, Ordnance, A.P.M. Establishment, Recruiting Staff and Accounts Branch.	6,86,617	45,144	27,088	29,650	66,180	16,104	9,000	9,400	2,500	3,000	19,000	20,000	36,000	55,000	10,000	3,000	1,800	7,000	
Infantry Battalion ...	5,25,000	1,43,780	4,146	1,200	2,01,212	9,442	1,000	900	306	300	400	—	—	—	—	—	1,800	7,000	
Cavalry Regiment ...	3,08,484	64,970	79,426	56,600	1,23,273	4,198	1,000	300	300	300	400	—	—	—	—	—	1,800	7,000	
Pack Battery ...	1,50,956	50,552	17,726	14,250	92,110	2,700	1,000	900	300	300	375	—	—	—	—	—	1,200	7,000	
Transport Company ...	1,23,122	35,040	43,527	24,100	92,995	3,000	1,000	900	300	300	300	—	—	—	—	—	1,800	7,000	
Totals ...	38,91,725	8,48,268	3,92,388	2,64,550	14,11,195	86,864	20,000	21,600	5,518	10,500	28,780	30,070	38,220	55,000	10,000	3,000	16,800	80,000	Rs. 72,14,478.
Grand total ...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

HEADQUARTERS AND ADMINISTRATIVE SERVICES.

	Rs.
Pay and Allowances ...	6,86,617
Rations for Men ...	45,144
Rations for Animals ...	27,088
Cost of Animals ...	29,650
Stores, Equipment, Clothing, etc. ...	66,180
Heating and Lighting, Rent, Water ...	16,104
Books and Printing ...	9,000
Stationery ...	9,400
Office Contingencies ...	2,500
Postage and Telegrams ...	3,000
Miscellaneous ...	19,900
Travelling Allowances ...	20,000
Mechanical Transport ...	36,000
Medicine and Drugs ...	55,000
Medical Comforts ...	10,000
Sanitary Appliances ...	3,000
Total ... Rs	10,38,583

COST OF AN INFANTRY BATTALION.

	Rs.
Pay and Allowances ...	5,25,000
Rations for Men ...	1,43,780
Rations for Animals ...	4,146
Cost of Animals ...	1,200
Stores, Equipment, Clothing, etc. ...	2,01,212
Heating and Lighting ...	9,442
Books and Printing ...	1,000
Stationery ...	900
Office Contingencies ...	306
Postage and Telegrams ...	300
Miscellaneous ...	400
Training Charges ...	1,800
Conveyance of Troops and Stores by Rail... ...	7,000
Total ... Rs.	8,96,486

COST OF CAVALRY REGIMENT.

	Rs.
Pay and Allowances ...	3,08,484
Rations for Men ...	64,970
Rations for Animals ...	79,426
Cost of Animals ...	56,600
Stores, Equipment, Clothing, etc. ...	1,23,273
Heating and Lighting ...	4,198
Books and Printing ...	1,000
Stationery ...	300
Office Contingencies ...	300
Postage and Telegrams ...	300
Miscellaneous ...	400
Training Charges ...	1,800
Conveyance of Troops and Stores by Rail... ...	7,000
Total ... Rs.	6,48,051

COST OF PACK BATTERY.

	Rs.
Pay and Allowances	1,50,956
Rations for Men	50,552
Rations for Animals	17,726
Cost of Animals	14,250
Stores, Equipment, Clothing, etc.	92,110
Heating and Lighting	2,700
Books and Printing	1,000
Stationery	900
Office Contingencies	300
Postage and Telegrams	300
Miscellaneous	375
Training Charges	1,800
Conveyance of Troops and Stores by Rail...	7,000
Total ...	Rs. 3,39,969

COST OF TRANSPORT COMPANY.

	Rs.
Pay and Allowances	1,23,122
Rations for Men	35,040
Rations for Animals	43,527
Cost of Animals	24,100
Stores, Equipment, Clothing, etc.	92,995
Heating and Lighting	3,000
Books and Printing	1,000
Stationery	900
Office Contingencies	300
Postage and Telegrams	300
Miscellaneous	300
Training Charges	1,200
Conveyance of Troops and Stores by Rail...	7,000
Total ...	Rs. 3,32,784

COST OF RATIONS FOR MEN.

	Rs.
Headquarters and Administrative Section :—	
248 Men at Rs. -/8/- p.d.	45,144
3 *Cavalry Regiments :—*	
365 Men at Rs. -/8/- p.d. = Rs. 64,970	1,94,910
2 *Pack Batteries :—*	
277 Men at Rs. -/8/- p.d. = Rs. 50,552	1,01,104
3 *Infantry Battalions :—*	
788 Men at Rs. -/8/- p.d. = Rs. 1,43,780	4,31,340
2 *Transport Companies :—*	
92 Men at Rs. -/8/- p.d. = Rs. 35,040	70,080
Total ...	Rs. 8,42,578

INFANTRY.

	Rs.
7 Horses at Rs. -/10/- p.d.	1,597
16 Ordnance Mules at Rs. -/7/- p.d.	2,549
Total ...	Rs. 4,146

TRANSPORT.

	Rs.
8 Horses at Rs. -/10/- p.d.	1,825
4 Ordnance Mules at Rs. -/7/- p.d.	639
300 A.T. Mules at Rs -/6/- p.d.	41,063
Total ...	Rs. 43,527

COST OF RATIONS FOR ANIMALS.

	Rs.
535 Mules at Rs. -/10/- p.d.	1,22,047
507 L.D. Mules at Rs. -/10/- p.d.	92,527
19 Ponies at Rs. -/3/- p.d.	6,935
240 Battery Mules at Rs. -/7/- p.d....	38,325
1019 A.T. Mules at Rs. -/6/- p.d.	1,39,476
Total ...	Rs. 3,99,310

	Rs.
3 Cavalry Regiments at Rs. 79,426	2,38,278
2 Pack Batteries at Rs. 17,726	34,452
3 Infantry Battalions at Rs. 4,146	12,438
2 Transport Companies at Rs. 43,527	87,054
Headquarters and Administrative Services	27,088
Total ...	Rs. 3,99,310

CAVALRY REGIMENT.

	Rs.
371 Horses at Rs. -/10/- p.d.	78,384
28 Ordnance Mules at Rs. -/7/- p.d.	4,472
36 L.D. Mules at Rs. -/8/- p.d.	6,570
Total ...	Rs. 89,426

PACK BATTERY.

	Rs.
9 Horses at Rs. -/10/- p.d.	2,054
63 Ordnance Mules at Rs. -/7/- p.d.	10,060
41 A.T. Mules at Rs. -/6/- p.d.	5,612
Total ...	Rs. 17,726

	Rs.	Rs.
Previous Estimate for Cost of Clothing, Personal Equipment, General, Equipment, Warlike Stores, Ammunition, Saddlery and Stable Equipment for 12 months was		20,90,070
The Cost now shown to be		*14,09,247
or approximately one-third less and divided as follows :—	Rs.	
Headquarters and Administrative Services	66,180	
3 Cavalry Regiments	3,69,820	
2 Pack Batteries	1,84,220	
3 Infantry Battalions	6,03,636	
2 Transport Companies	1,85,991	
	Rs. 14,09,847	

* I think this figure should be 17½ Lahks.

Cost of for period April 1st, 1922, to October 31st, 1924 :—

	Rs.	Rs.
Clothing		
Personal Equipment		
General Equipment		
Warlike Stores		32,40,252
Ammunitions		
Saddlery and Stable Equipment		
Add 15 per cent. Customs Duty on—	12,40,252	
	6,45,521	
	18,85,773	2,82,865
Grand Total ...		Rs. 35,23,117

The Grand Total, Rs. 35,23,117, represents the cost from April 1st, 1922 to October 31st, 1924, or 2½ years.

	Rs.
	35,23,117
Deduct One-fifth	7,04,623
Cost for 2 years	28,18,494
Cost for 1 year	14,09,247

Expenditure on Clothing, Personal Equipment, General Equipment, Warlike Stores and Ammunition during the year 1922–23 ... ... Rs. 20,00,000

Section	2B	1,435
,,	5A and 5B	1,01,949
,,	6A and 6B	23,000
,,	7	8,136
,,	8	10,110
,,	9	3,120
,,	10	1,500
,,	11, 12 and 13	37,369
,,	14 and 15	1,21,765
,,	16A	12,157
,,	16B	1,26,599
,,	17, 18, 19 and 20	678
,,	21	56,894
,,	22, 23, 24, 24, 25, 26 and 27	6,37,666
,,	28 and 29	7,874
Weedon Section		90,000
	Total ...	Rs. 32,40,252

Tenders received and cost shown is the true cost, C.I.F. Basrah.
No Tenders yet called for, value shown is based on Ordnance Vocabulary Rates.

BUDGET HEADINGS.	ORDNANCE SECTIONS.
Clothing	Clothing.
Personal Equipment	Leather and Web Accoutrements.
General Equipment	Camp Equipment.
	Section 2B, 3 and 4.
	,, 7.
	,, 8A, 8B, 8C and 8D.
	,, 9A and 9B.
	,, 10.
	,, 20.
	,, 21A and 21B.
	,, 28.
	,, 29.
Warlike Stores	,, 14 and 15.
	,, 16A and 16B.
	,, 17A and 17B.
	,, 18A and 18B.
	,, 19.
	Weedon Section.
Ammunition	Sections 22, 23, 24, 25, 26, 27.
Saddlery and Stable Equipment	,, 5A and 5B.
	,, 6A and 6B.

COST OF TRANSLATORS FROM IRAQ MILITARY COLLEGE.

	Cost per annum. Rs.
1 at Rs. 500 per mensem	6,000
1 at Rs. 400 ,,	4,800
4 at Rs. 375 ,,	16,800
Total	Rs. 27,600

(B 8/422)T Wt. 29473—1041 50 3/23 H & S Ltd. G. 3

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No. 5.
CONFIDENTIAL.

TURKISH PETROLEUM COMPANY.

The history of the Turkish Petroleum Company is extremely complicated and it is not necessary to state the whole of it here in detail.

The following is an attempt to record the main facts which are of significance at present.

The rights to oil in the Vilayets of Mosul and Baghdad belonged, or are said to have belonged, to the Civil List of the Ottoman Empire, but were transferred from the Civil List to the Ministry of Finance by firmans issued in 1908 and 1909. There was a long battle for the acquisition of these rights between British and German interests, which finally came to an end with the formation of the present Turkish Petroleum Company, which represented the interests of both groups, the German share in the Company being fixed at 25 per cent. Both the British and German Ambassadors at Constantinople then made representations to the Turkish Government on behalf of the Turkish Petroleum Company, and the final outcome of these was a note from the Turkish Grand Vizier to His Majesty's Ambassador at Constantinople on the 28th June, 1914, in the following terms :—

" The Ministry of Finance finding itself substituted for the Civil List in that which concerns the oil-springs discovered and to be discovered in the Vilayets of Mosul and Baghdad agrees to lease them to the Turkish Petroleum Company and reserves to itself the right of fixing hereafter its share as well as the general conditions of the contract."

His Majesty's Government have always contended that the Grand Vizier's note amounted to giving the Turkish Petroleum Company a definite title to a concession for all oil in the two Vilayets of Baghdad and Mosul. In Lord Curzon's note to the American Ambassador of February 28th, 1921 (published in Cmd. 1226), the position is stated as follows :—

" The Turkish Petroleum Company's right to the lease of the oilfields in the two Vilayets rests on an official undertaking given by the Turkish Government to the two Governments concerned after prolonged diplomatic negotiations. In the circumstances the oil rights in the Vilayets of Baghdad and Mosul cannot be treated merely as a matter of abstract principle or without reference to the special character of the negotiations that preceded the War. Had no war supervened and had Mesopotamia remained till now under Turkish rule, the exploitation of

these oil deposits would long since have begun. It can hardly be contended that His Majesty's Government should now question the validity of an undertaking granted by the Turkish Government in return for consideration received."

In the same note Lord Curzon explained that during the War the German interests in the Company were liquidated and these came into the hands of His Majesty's Government. He explained further that under the San Remo Agreement the French Government acquired an interest in the Mesopotamian oilfields which represented the allotment to the French Government of the former German interests in the Turkish Petroleum Company in return for facilities by which Mesopotamian oil would be able to reach the Mediterranean. At the same time he added :—

" Neither the rights of the Turkish Petroleum Company nor the provisions of the San Remo Oil Agreement will preclude the Arab State from enjoying the full benefit of ownership or from prescribing the conditions on which the oilfields should be developed."

The question of the Turkish Petroleum Company came up again repeatedly in the course of the long negotiations at Lausanne which preceded the Treaty of Peace with Turkey. It was at one time proposed to include in the Treaty an Article definitely declaring the validity of the Turkish Petroleum Company's concession, but this ultimately proved to be impossible owing to the stout resistance of the Turks, who relied upon moral (and not less upon immoral) support from the American " Observer."

The immediate question at Lausanne was an acknowledgment by the Turkish Government of the validity of the Turkish Petroleum Company's concession, and on this point Sir Horace Rumbold made an emphatic declaration as follows :—

" In these circumstances, I conceive it my duty to declare in the most categorical manner that my Government considers all the obligations contracted by the Ottoman Government in 1914 towards the Turkish Petroleum Company as preserving their full force and validity and as binding the Turkish Government in all territory which remains Turkish after the Treaty of Peace."

The Foreign Office memorandum on this subject states the case as follows :—

" His Majesty's Government have consistently claimed that the note addressed by the Turkish Grand Vizier to His Majesty's Ambassador at Constantinople on the 28th June, 1914, secured for the Turkish Petroleum Company a definite right to the concession of all petroleum springs in the Vilayets of Mosul and Baghdad, and that it binds alike the Turkish Government in so far as that Government is or may be still concerned, and any Government substituted for the Turkish Government in 'Iraq."

As explained above, the immediate issue at Lausanne was the recognition of the validity of the concession by the Turkish Government in so far as any post-war Turkish territory might be concerned. The question of its recognition by the 'Iraq Government did not therefore arise directly at Lausanne, but the Foreign Office memorandum just quoted appears correctly to represent the attitude always taken up by His Majesty's Government on this point. Moreover, by Article 9 of the " Concessions Protocol " attached to the Treaty of Lausanne, the 'Iraq Government appears to be " fully subrogated as regards the rights and obligations of Turkey towards " the Turkish Petroleum Company.

I am not sure that the Colonial Office has always been quite as definite in asserting the claims of the Turkish Petroleum Company to a concession in 'Iraq. We sent a secret despatch to Sir Percy Cox on February 11th, 1922 (3624/22 Secret), in which we asked him to ascertain whether King Feisal " would be prepared to confirm the Turkish Petroleum Company's concession in 'Iraq, subject to a satisfactory agreement being reached with regard to the payment of oil royalties." Sir Percy Cox replied in a telegram of May 21st, 1922 (24703/22/Secret) saying that it was not advisable to place the matter before the Council of State, but that he had discussed it with Feisal, and confidentially, with his authority, with Sassoon. Feisal had informed him verbally that he considered the attitude of 'Iraq should be to recognise the concession, provided that she might count on His Majesty's Government adequately safeguarding her interests. The most recent express declaration of the attitude of the 'Iraq Government is contained in Sir Henry Dobbs' telegram No. 461 of August 21st, 1923, (42467/23). A resolution has been passed by the Council of State to the effect that the Government of 'Iraq, although not recognising that any concession has been granted to the Turkish Petroleum Company, have seen the promise contained in the letter of June, 1914, from the Turkish Prime Minister, and are prepared to fulfil that promise provided that the Company agree to the conditions which they will accept. The Council accepted with gratitude the offer of His Majesty's Britannic Government's assistance in the matter, and authorised Sassoon, while in London, to discuss the matter with the Company, which is applying for a concession, on the understanding that Sassoon submits to them for consideration and examination his report and comments on any concession applied for.

The result of this communication was that negotiations were carried on in London between representatives of the Turkish Petroleum Company and the Colonial Office, with the assistance of the Petroleum Department, at which Sassoon was present. The draft of a concession to the Turkish Petroleum

Company has been drawn up and sent to 'Iraq, and Mr. Keeling, representing the Company, is at present in Baghdad for discussion of the draft with the 'Iraq Government.

The attitude of the 'Iraq Government, so far as I understand it, appears to be that they admit that a promise was made by the Ottoman Government to grant a concession to the Turkish Petroleum Company subject to a satisfactory agreement being reached as to terms. The 'Iraq Government are prepared to make this promise good and are negotiating with the Company as to the terms to be included in the concession. On the other hand, they hold that the Company does not at present actually enjoy anything amounting to a title to a concession and that such a title need not be granted unless satisfactory terms can be arranged. We are now faced with the position that there are other applicants for the concession who are apparently prepared to offer to the 'Iraq Government terms which seem likely to prove more attractive. It appears to me that this puts us in a position of extreme difficulty. An obligation to grant a concession on terms to be arranged does not really amount to very much. I do not see that we can properly contend that it precludes the 'Iraq Government from granting the concession elsewhere if better terms are offered by another applicant. Otherwise the negotiation of terms, if the Turkish Petroleum Company has an absolute right to be granted a concession and no other application can be considered, is rather in the nature of a farce. On the other hand, His Majesty's Government have gone very far indeed in supporting the claim of the Turkish Petroleum Company. It has formed the subject of the prolonged correspondence with the American Government which has been referred to above.

It should be added that in August, 1921, the American Ambassador presented a memorandum to Lord Curzon to which no reply has ever been sent. In this memorandum it is stated that " the Government of the United States is unable to conclude that any concession was ever granted by the Turkish Government to the Turkish Petroleum Company and will shortly take up the considerations advanced by His Majesty's Government upon this subject. It is desired that if the claim of the Turkish Petroleum Company continues to be asserted appropriate provision will be made for the determination of this claim by suitable arbitration."

The American " Observer " at Lausanne also placed it on record that the American Government had in July of this year seen no reason to alter the point of view which it had adopted in this correspondence.

Connected with the American attitude on the subject of the Turkish Petroleum Company's claim to a concession is the refusal up to the present of

the American Government to give any recognition to our position as Mandatory for 'Iraq. Meanwhile, attempts have been made to get over the American opposition by other means.

The present financial interests in the Turkish Petroleum Company are the Anglo-Persian, the Anglo-Saxon (representing the Royal Dutch-Shell group) and the French Government, holding on behalf of a French financial group in process of formation. These financial interests have all agreed to an arrangement with a very powerful American group which is understood to represent practically all American oil interests which really count. The details of the arrangement are not yet complete, but roughly speaking there will be four interests in the Turkish Petroleum Company, namely, the Royal Dutch-Shell, the Anglo-Persian, French and American, each of 25 per cent.

There are further complications arising from a promise given by Lord Curzon at Lausanne to the Marquess Garroni, that Italy should have " a share in Mosul oil." This may involve a further complication of the constitution of the Turkish Petroleum Company so as to introduce Italian interests. There is also a vague possibility that something may have to be done for Turkey in connection with the negotiations about the Mosul boundary. We are therefore in the position that the Turkish Petroleum Company represents a claim, the validity of which has been supported by His Majesty's Government in diplomatic correspondence published to all the world, and has also been made the means of bringing about some kind of an agreement in which the oil interests of a number of countries are affected and into which diplomatic considerations have entered to a large extent.

Whether Italy and Turkey are brought into the Company or not, it may safely be contended that the Turkish Petroleum Company in its latest form will represent the most powerful organisation of oil interests in the world and will be the organisation which would have the best capacity for carrying out the development of the Mosul oilfield, of which very high expectations have been framed.

We are now faced with a competitive offer from Captain Cheney. We have regarded his antecedents and associations as somewhat disreputable. He represents the Commercial Petroleum Syndicate, which is an insignificant Company with a capital of £3,500 and no shareholders of any importance. On the other hand, he now states that " the Directors of that Syndicate are absolutely British and represent a capital of £5,000,000 on their properties in Trinidad, Roumania and other places." This no doubt indicates that he is really claiming to represent the Phœnix oil interests, and I gathered as much from a conversation with Mr. Nichols of the Anglo-Persian. The Phœnix is a large financial enterprise which is more or less in the experimental stage but cannot, I think,

be regarded as in any way disreputable. Its Chairman is Mr. Manville, late M.P. (I rather think he was defeated at the Election), recently Chairman of the Association of British Chambers of Commerce. I understand that Sir J. Norton Griffiths is also connected with the Phœnix, and this is probably the source of the present trouble, because we know that he has at present representatives in Baghdad who are endeavouring to engineer a big irrigation concession which apparently contemplates an expenditure of £12,000,000. I think there can be very little doubt that the 'Iraq Government would be exceedingly ill-advised in entrusting the future of the Mosul oilfield to the Phœnix group, and still more ill-advised in entrusting it to a Syndicate whose real identity with that group is uncertain, or to representatives of such a personality as Sir J. Norton Griffiths. At the same time I feel a difficulty in seeing on what ground we are to bring really strong pressure to bear upon them to grant the oil concession to the Turkish Petroleum Company and to nobody else.

R. V. V.

13.12.23.

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Middle East

No. 6.

Confidential.

CORRESPONDENCE

[July, 1925—November, 1927]

REGARDING THE

RE-ORGANISATION

OF

MILITARY & POLICE FORCES

IN

PALESTINE & TRANS-JORDAN.

COLONIAL OFFICE,
December, 1927.

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1925.	
1. The Officer Administering the Government, Secret A. 17 July. (Received 27 July.)	Transmits a Memorandum by the Acting Inspector-General, Police and Prisons, setting out the functions, strength and disposition of the present Civil Forces, and Report of a Committee regarding reorganisation of the Palestine Force. Remarks upon the termination of the contracts of service, and upon the saving expected by reorganisation - - - - - - - 1
2. The High Commissioner, Confidential B, 30 October. (Received 9 November.)	Submits proposals for the reorganisation of the Public Security Forces in Palestine and Trans-Jordan - - - - - - - - - 15
3. The Acting High Commissioner, Confidential, 5 November. (Received 17 November.)	With reference to No. 2 requests early approval of the conditions of disbandment of British Gendarmerie not absorbed into the Police. Refers to Report of Committee forwarded in No. 1, recapitulates the general conditions for disbandment, and asks if they are acceptable and may be communicated to the Force - - 33
1926.	
4. To the High Commissioner, telegram, No. 9, 18 January.	In reply to Nos. 2 and 3 approves the proposals submitted therein with provisos enumerated regarding administration of the new regiment, terms of service for transferred British Gendarmes, expenditure on Works and general conditions for disbandment of British Gendarmes - - - - - - - - 35
5. The High Commissioner, Confidential B, 28 January. (Received 8 February.)	Replies to No. 4 in respect of the manner in which the expenditure involved in reorganisation of the Force will be defrayed - - - 36
6. To the High Commissioner, telegram, No. 42, 16 February.	In reply to No 5 urges, in view of the financial position in this country, that Palestine should provide for its own local defence - - 37
7. The High Commissioner, telegram, Confidential, No. 52, 20 February. (Received 23 February.)	In reply to No. 6 submits reasons why it is hoped that His Majesty's Government will consent to defray half the cost of the Frontier Force and to pay Trans-Jordan a grant-in-aid of £E.90,000 in 1927 and £E.60,000 for the successive three years - - - - - - - - - 38
8. The High Commissioner, telegram, No. 59, 24 February. (Received 25 February.)	Reports completion of arrangements for disbandment of British and Palestine sections of the Gendarmerie and for reduction of Arab Legion to 1,200 rank, by the 31st March. Suggests steps for counteracting the shortage in Police Force pending arrival of recruits from England - - - - - - - - - 39
9. Treasury, 27 February - - - - -	Approves proposals submitted for a married establishment up to 15 per cent. of the British Section of the Police Force, payment of separation allowance at rate of £E.52 per annum for personnel whose wives are not in Palestine, free second-class passages for wives and families, free accommodation in Palestine and fuel and light allowance - - - - - - 40
10. The High Commissioner, telegram, No. 67, 27 February. (Received 27 February.)	As the numbers transferring to Police from British Gendarmes is disappointing enquires whether the option of immediate issue of gratuity to date of expiration of contract and break of service may be offered - - - - - - 40
11. To the High Commissioner, telegram, No. 68, 8 March.	Approves proposals in Appendix B of No. 2 for married establishment and separation allowance - - - - - - - - 40

Serial No. : From or to Whom : Despatch No., &c., and Date.	Subject and Page No.
1926.	
12. The High Commissioner, telegram, Confidential, No. 81, 9 March. (Received 9 March.)	Is adopting the title "Trans-Jordan Frontier Force" as being the best in the circumstances 41
13. To the High Commissioner, telegram, No.71, 11 March.	Approves payments to British Gendarmes and Police referred to in Nos. 8 and 10 and comments upon the suggested issue of gratuity in No. 10. States that His Majesty's Government are prepared to issue sum required in excess of estimated expenditure for the Gendarmerie up to £212,000 and enquires what amount will be required - - - - - - - 41
14. To the High Commissioner, telegram, No. 88, 20 March.	States that His Majesty's Government will contribute half the cost of the Frontier Force to 31st March, 1927, and pay grant-in-aid to Trans-Jordan and gives the sums provided therefor - - - - - - - - 42
15. Air Ministry, 26 March - -	Transmits copy letter to Air Officer Commanding, Palestine, setting out the position of this officer in respect to the new regiment, and the mode of administration to be adopted - - - 42
16. The High Commissioner, telegram, No. 106, 1 April. (Received 2 April.)	Cannot agree that British Officers shall receive less in total emoluments than those receivable by civil officers. Requests grant of expatriation allowance. Remarks upon the salaries of the Second in Command, British Staff-Sergeants, Sergeants and Civilian Clerks. States that the Force is being brought into being on the 1st April - - - - - - - - 43
17. To the High Commissioner, 611, 20 May -	Approves the revised rates of pay of British Officers as indicated - - - - - 44
18. The High Commissioner, 552, 17 May - - (Received 31 May.)	Forwards the Frontier Force Ordinance No. 11 of 1926 for signification of His Majesty's pleasure - - - - - - - - 45
19. The High Commissioner, Secret, 4 June. (Received 14 June.)	Forwards memoranda on the Frontier Force and accommodation in Trans-Jordan, and explains the necessity for the transfer from Palestine to Trans-Jordan of trained men as quickly as possible - - - - - - - - 54
20. To the High Commissioner, telegram, No. 176, 14 June.	With reference to No. 16 requests information as to why views in No. 2 have changed and as to the status of British Warrant Officers and Sergeants - - - - - - - 57
21. The High Commissioner, telegram, No. 178, 16 June. (Received 16 June.)	Gives information requested in No. 20 - 57
22. To the High Commissioner, telegram, No. 184, 17 June.	In reply to No. 21 approves rates of pay for British Warrant Officers (Grade I), British Sergeants and Clerks (Grade II) - - 58
23. To Air Ministry, 18 June - - - - -	Transmits the Frontier Force Ordinance, as promulgated by the High Commissioner, for observations and explains why the Ministry were not previously consulted. Forwards for comments the revised Regulations of Service for Officers and states the present position regarding pay of Warrant Officers and Clerks - - - 58
24. To the High Commissioner, telegram, No. 220, 30 July.	With reference to No. 19 requests further information regarding redistribution of the Force, quarters, and hospital accommodation - 59
25. Air Ministry, 7 August - - - - -	Refers to No. 23 and enquires whether the tentative instructions contained in letter of 26th March to Air Officer Commanding (enclosure in No. 15) can now be confirmed - - 60
26. The High Commissioner, Secret, 5 August - (Received 16 August.)	In reply to No. 24 gives details of the disposition and accommodation required by the Force in Trans-Jordan, and communicates a proposal for the location of Headquarters at Ziza. Requests approval to provision of quarters for one Company at Ma'an - - - - - - - 60
27. To Treasury, 26 August - - - - -	Requests early concurrence in the proposed provision of permanent accommodation for one Company at Ma'an at a cost of £28,000 approximately - - - - - - 61

Serial No. : From or to Whom : Despatch No., &c., and Date.	Subject and Page No.
1926.	
28. Treasury, 31 August - - - - -	Has no observations on details of Estimates and concurs in proposed communication to the High Commissioner - - - - - - - 62
29. To Air Ministry, 8 September - - -	In reply to No. 25 concurs in confirmation of the instructions to the Air Officer Commanding contained therein and encloses correspondence with the High Commissioner on the subject - - - - - - - - 63
30. To Air Ministry, 10 September - - -	Notifies Treasury approval to construction of permanent accommodation for one Company at Ma'an. Requests instructions be given to Air Officer Commanding and that the charge for Departmental expenses be reduced to 12½ per cent. - - - - - - - - 63
31. To the High Commissioner, 1323, 27 September	Forwards for observations a letter from the Air Ministry giving, in reply to No. 23, their observations on and suggested amendments to the Frontier Force Ordinance, and enclosing a memorandum upon the legal status of the Force - - - - - - - 64
32. To the Officer Administering the Government, 1387, 11 October.	Transmits the revised Regulations of Service for British Officers appointed to the Trans-Jordan Frontier Force and explains the principal amendments which have been made therein. Encloses also a letter from the War Office submitting observations upon the draft Regulations - - - - - - - - 67
33. The High Commissioner, 1430, 7 December (Received 20 December.)	Transmits draft Ordinance amending the Frontier Force Ordinance, 1926, together with an explanatory note by Attorney-General. Considers enlistment of three years should be retained and states that it is not intended that all members of a Court Martial should be British - 75
1927.	
34. To Air Ministry, 11 January - - - -	Forwards, for observations, a copy of No. 33. - 79
35. Air Ministry, 26 April - - - - -	Submits observations upon Sections 6 and 10 of the draft Ordinance to amend the Frontier Force Ordinance, 1926, and encloses a re-draft of Section 6 - - - - - - - 79
36. The High Commissioner, Confidential, 4 May. (Received 16 May.)	Submits in detail a proposal for the construction at Zerka of a semi-permanent camp for the Force, and for the removal of Headquarters from Amman to Zerka - - - - - - 81
37. To the Officer Administering the Government, telegram No. 120, 20 June.	Approves proposals for construction of semi-permanent camp at Zerka - - - 84
38. To the Officer Administering the Government, telegram No. 135, 8 July.	Requests confirmation of estimate of cost of works at Zerka, and states that in the meantime their commencement has been authorized 84
39. The Officer Administering the Government, Confidential C, 29 July. (Received 9 August.)	Corrects total estimate of cost of works at Zerka, encloses report by District Engineer and proposes purchase of 9th Lancers' stabling at Sarafand, to be re-erected at Zerka. Indicates manner of disposal of savings effected by this course - - - - - - - - 85
40. To the Officer Administering the Government, Confidential D, 11 August.	Transmits for observations revised drafts of Conditions of Service for British Warrant Officers and British Sergeants, and for non-European personnel. Also comments upon Regulations governing grant of Proficiency Pay, Trade Pay, Award of Good Conduct Badges, and issue of forage. Approves Regulations governing enrolment of horses and camels - - - 88
41. To the High Commissioner, 1103, 19 August -	In reply to No. 33 transmits, with comments, correspondence with the Air Ministry and a re-draft of Section 6 of the Ordinance to amend the Frontier Force Ordinance, 1926. Encloses a statement of necessary amendments and approves the Ordinance subject to their adoption - - - - - - 97
42. To Treasury, 29 August - - - -	Transmits copy of No. 39 and requests approval to expenditure of £E.32,084 for works at Zerka - - - - - - - - 99

Serial No. : From or to Whom : Despatch No., &c., and Date.	Subject and Page No.
43. To Air Ministry, 29 August	Transmits copy of Nos. 39 and 42 and trusts that offer of £E.2 per stall for stabling at Sarafand will be accepted - 99
44. Treasury, 3 September	Approves expenditure of a sum not exceeding £E.32,084 on the camp at Zerka on the understanding that the British Grant-in-aid cannot be increased - 100
45. Air Ministry, 21 November	Expresses War Office concurrence in the sale of horse stalls at Sarafand and accepts offer of purchase by Palestine Government at £E.2 per stall - 100

No. 1.

PALESTINE.

34110

The OFFICER ADMINISTERING THE GOVERNMENT to the SECRETARY OF STATE.

(*Received 27th July*, 1925.)

Secret A. Government House,
Reference No. 11/703/S. Jerusalem,
17th July, 1925.

SIR,

I HAVE the honour to refer to your telegram, No. 198, dated the 3rd July, 1925,* on the subject of the re-organisation of the Civil Forces in Palestine, and to transmit a memorandum by the Acting Inspector-General, Police and Prisons, setting out briefly the functions, strength and disposition of the present Civil Forces.

2. I also transmit a Report by a Committee, under the Chairmanship of the Acting Inspector-General of Police relating, in particular, to the terms and conditions of disbandment of the British Gendarmerie and the re-engagement of certain of the men of that Force who may elect to serve in the Palestine Police; and, in this connection, I attach copy of a minute by Mr. Davis on questions of detail. If and when a final decision is taken to disband the British Gendarmerie, it will be necessary that I should be in a position to announce the terms and conditions of disbandment of the Force and the re-enlistment of the men required in the Police Force at the same time. I have submitted to you, under separate cover,† the draft of a Police Pensions Ordinance.

3. Steps have been taken to give notice to the men whose contracts expire during the next three months, in accordance with the directions contained in your telegram under reference*; but approximately twenty contracts only will expire between now and the end of the current financial year, the contracts expiring earlier having been renewed within the time prescribed in the contracts. It is estimated by the Committee that the average length of unexpired contracts is eights months as from the 30th September next. Until the actual terms and conditions of disbandment are ascertained it is difficult to forecast the saving that will result during the current year from the Grant-in-Aid and which will be available to defray the cost of the Palestine Gendarmerie which it is proposed to transfer to the Royal Air Force; but the Committee have roughly estimated the amount at £E.54,000 on the basis set out in page 6 of their report.

4. I also transmit copy of a letter from the Acting Inspector-General, Police and Prisons, showing, in explanation of the Estimates (*vide* Appendix "B"‡ to Report by Committee), the present and proposed distribution of the Police Force and the additional appointments thereto. I do not propose to comment on the details of these estimates at this juncture.

5. I would add, with reference to paragraph 4 (*b*) of the Committee's report, that steps have been taken to withdraw from execution such indents as are not necessary in view of the contemplated re-organisation.

I have, &c.,
G. S. SYMES,
Officer Administering the Government.

ENCLOSURE 1 IN No. 1.

P. 16/5.

CHIEF SECRETARY. 14th July, 1925.

Subject : Re-organisation of the Civil Forces.
Reference : A/Chief Secretary's verbal instruction of 8th instant.

The Civil Forces of Palestine are as follows :—

(*a*) The Palestine Police Force.
(*b*) The Palestine Gendarmerie.
(*c*) The British Gendarmerie.

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* 29276/1925 : not printed. † 34106/1925 : not printed. ‡ Not printed.

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The strength and distribution of the Palestine Police Force is shown in Appendix "A"* and the Force carries out normal police duty, *i.e.*, the prevention and detection of crime.

2. The Palestine Gendarmerie consists of Headquarters (at Sarafand) and troops of Mounted Gendarmerie of a strength of 1 British Officer, 1 British Warrant Officer and approximately 50 Other Ranks. Troops are stationed in the following places:—

Jericho.	Roshpina.
Tulkarem.	Baisan.
Metullah.	Samakh.
Beersheba (2).	

The duty of the Palestine Gendarmerie is mainly the prevention of armed raids into Palestine. This Force also carries out patrols in the neighbourhood of the frontier and assists the Police in dealing with gangs of highway robbers and carries out Police duties in a specified area.

3. The British Gendarmerie consists of Headquarters at Sarafand and five Companies of four Officers and approximately eighty Other Ranks stationed as follows:—

Sarafand (2),	Jerusalem,
Nazareth,	Nablus,

less Detachment of 1 Officer and 17 Other Ranks in Haifa. The Force acts as an armed reserve to the Police and carries out car patrols on the main roads. It is also employed on escort duties and guards.

4. During the recent visit of the Secretary of State for the Colonies it was submitted (*a*) that the Police Force was inadequate for the efficient performance of police duty and (*b*) that the British Gendarmerie, as at present organised, could not be adequately employed by the Police or the Air Force Authorities.

5. It was then agreed that the Police Force should be increased to 1,500 (this number to include a detachment of British Police to be drawn from the British Gendarmerie) and that the amount provided in the estimates for the Palestine Gendarmerie should be made available to cover this increase.

It was also agreed that the Palestine Gendarmerie should be transferred to the direct control of the Air Officer Commanding and that the cost of this Force should be met from Imperial Funds.

6. The draft estimates for the Police Force at a strength of 1,500 were submitted to you under cover of my P. 16/5 of 6/7/25†, and the proposed distribution of the Force was shown in Appendix "B,"‡ copy attached.

7. It is understood that the Palestine Gendarmerie on transfer to the Air Force will be stationed in detachments of approximately 150 Officers and Other Ranks at the aerodromes at Samakh, Ramleh and Beersheba.

A. S. MAVROGORDATO,
A/Inspector-General, P. & P.

ENCLOSURE 2 IN No. 1.

Secret.
P 16/5

Department of Police & Prisons,
P. O. B. 436,
Jerusalem.
6th July, 1925.

Chief Secretary.

Subject: Reorganisation of Public Security Forces in Palestine.

We have the honour to submit the following report on the Re-Organisation of Public Security Forces in Palestine.

The terms of reference of our Committee are as follows:—

(*a*) to recommend the terms of the disbandment of the British Gendarmerie and the re-engagement of any members of that Force with the British Section of the Palestine Police;

* In Enclosure 4. † Enclosure 2. ‡ Not printed.

(*b*) to ascertain what general economies and expenditure on the British Gendarmerie can be immediately effected in view of the early disbandment of that Force;

(*c*) to ascertain to what extent the disbandment of the British Gendarmerie may be effected without breach of contractual obligation;

(*d*) to recommend the method of utilising the services of the remaining personnel of the British Gendarmerie pending their disbandment;

(*e*) terms of transfer of Palestine Gendarmerie to Royal Air Force.

The Committee was composed of—

Mr. A. S. Mavrogordato, Acting Inspector-General of Police -	Chairman.
Colonel A. J. McNeill, C.B., C.B.E., D.S.O., Commandant British Gendarmerie - - - - - - - -	Members.
Major C. A. Shute, C.B.E., D.A.Q.M.G. - - - - -	
Squadron Leader P. J. Wiseman, R.A.F., C.A.O. (co-opted) -	
Mr. C. D. Harvey—Representing the Treasury - - -	

The Committee sat on the 3rd, 4th and 6th July, 1925.

2. A discussion in general terms regarding the principles of the proposed reorganisation took place and the Inspector-General of Police gave a retrospect of the steps which had led up to the present situation.

3. *Terms of reference* (a).—The Committee recommends that the conditions of service to be offered to such N.C.O.s and men of the British Gendarmerie who volunteer for service with the Palestine Police should be as shown in Appendix "A"—The terms of service to be offered to officers are shown in Appendix "B" (Estimates).*

With regard to paragraph 10 of Appendix "A" the Committee considers that it is imperative that immediate steps should be taken to obtain telegraphic approval from the Secretary of State to publish the essential clauses of the Pensions Ordinance applicable to members of the British Gendarmerie transferring to the Police.

In the event of sufficient men not volunteering to transfer direct from the British Gendarmerie to the Police under the terms offered (Appendix "A") it will be necessary to limit the number of British Gendarmerie who will be permitted to take their discharge on a compensatory basis in order to retain in the country an adequate force for the maintenance of public security during the period of recruitment for the British Section of the Police.

In any case British Gendarmes who do not volunteer for direct transfer to the Police within a stated period will be ineligible for subsequent enlistment.

4. *Terms of reference* (b).—The Committee is of opinion that if the British Gendarmerie is to remain as at present organised and employed until the arrival in Palestine of Lord Plumer as is indicated by the Secretary of State's telegram No. 198 of 3rd July, 1925,† the only immediate steps that can be taken to curtail expenditure are—

(1) To cable the Crown Agents to defer action on any indents not yet completed and to defer shipment of any purchases already effected:

(2) To instruct the Director of Public Works not to proceed with any expenditure on Works Services other than essential maintenance:

(3) No new commitments to be entered into without approval of the Chief Secretary:

(4) The Central Tenders Board and the Central Housing Commission to be instructed to review all existing contracts and leases.

5. *Terms of Reference* (c).—The present strength of the British Gendarmerie is:—

Officers - - - - - - - - - - -	28
N.C.O.s - - - - - - - - - - -	90
Constables - - - - - - - - - - -	369
Total - - - - - - - - -	487

* Not printed. † 29276/1925: not printed.

The personnel required to form the British Section of the Palestine Police is as follows:—

Officers	6
N.C.O.s	20
Constables	189
Total	215

Assuming that this personnel is forthcoming, there would then remain the following numbers to be disbanded:—

Officers	22
N.C.O.s	70
Constables	180
Total	272

It will be observed from Appendix "C"* that owing to the fact that no instructions were received from the Secretary of State for the Colonies that contracts were not to be renewed, it has only been possible to give notice of non-renewal to 20 men. The remaining contracts were automatically renewed. This has involved the renewal of 61 contracts—which could have been terminated.

The reorganisation of the Police as shown in attached draft estimates (Appendix "B"†) provides for the following additional appointments, likely to be filled from the British Gendarmerie:—

3 Officers	Grade III.
1 Officer	Grade III. (Commandant Training School.)
2 Officers	Grade IV.
6 Inspectors	Grade I. (Junior Service.)
1 Armourer	Grade I. (Junior Service.)

In the event of these estimates being approved and suitable candidates being found in the British Gendarmerie, the net total of British Gendarmerie for disbandment would then be:—

Officers	16
N.C.O.s	63
Constables	180
Total	259

6. The Committee next proceeded to consider the estimated cost of disbanding this number, assuming that the disbandment will take place by and be completed on 30th September, 1925.

The following factors were considered:—

(*a*) Length of service of each member now serving.
(*b*) Unexpired period of each existing contract.
(*c*) Leave due to each member now serving.
(*d*) Gratuity due to each member now serving.
(*e*) Rate of pay drawn by each member now serving.

Since it is unknown which members of the British Gendarmerie will volunteer for service with the Police, it is not possible to arrive at accurate figures of the actual cost of disbandment of the remaining personnel.

The Committee have therefore taken an approximate average in respect of each of the factors above mentioned, as follows:—

(*a*) Three years.
(*b*) Eight months.
(*c*) Three months.
(*d*) Three months' pay.
(*e*) Constables, 12*s*. per day.
Corporals, 13*s*. per day.
Sergeants, 14*s*. per day.
Staff Sgts., 16*s*. per day.
Officers, £E.550 per annum.

* Nominal Roll of Officers only printed. † Not printed.

7. In view of the fact that the average amount of leave due to members of the Force is three months, this, under contractual obligations, involves the payment during this period of leave of Ration and Fuel and Light allowances amounting to approximately 2*s*. per day.

The granting of this leave thus reduces the average time for which the Palestine Government has further contractual obligations in respect of allowances to five months.

During this five months the monetary obligations in respect of Subsistence Allowance are considered to be as follows:—

15 days' subsistence allowance, at Pst. 30 a day
Remainder „ „ at „ 15 a day

under the Palestine Government Travelling Allowance Regulations, assuming that half rates are granted in accordance with Section 12 (*c*) thereof.

8. Furthermore, under contractual obligations, uniforms must be provided. The approximate cost of this is £E.10 per annum, and, omitting the period of leave, five months' allowance in lieu approximates £E.4 to each man.

9. On this basis the average amount payable on disbandment to each member of the British Gendarmerie in full settlement of contractual obligations is as follows:—

Pay for 8 *months.*

Constables	£E.142
Corporals	£E.154
Sergeants	£E.171
Staff Sergeants	£E.188
Officers	£E.366

Allowances for 8 *months under paragraph* (7).

N.C.O.s and Constables	£E.34
Officers (Cost-of-Living Allowance)	£E.35

Clothing Allowance under paragraph (8).

N.C.O.s and Constables	£E.4

Gratuities.

Constables	£E.54
Corporals	£E.58
Sergeants	£E.65
Staff Sergeants	£E.72
Officers	£E.138

10. The amount payable to each officer and man in full settlement is therefore approximately as follows:—

Rank.	*Pay and Allowances.*	*Gratuity.*	*Total.*
	£E.	£E.	£E.
Constable	180	54	234
Corporal	192	58	250
Sergeant	209	65	274
Staff Sergeant	226	72	298
Officer	401	138	539

and the total amount payable:—

	£E.	£E.
180 Constables	at 234 =	42,120
30 Corporals	„ 250 =	7,500
23 Sergeants	„ 274 =	6,302
10 Staff Sergeants	„ 298 =	2,980
16 Officers	„ 539 =	8,624
		£E.67,526
Estimated cost of passages to United Kingdom		5,180
Grand Total		72,706

11. The Committee wishes to emphasise the fact that these figures are based on the supposition that the total disbandment will take place by and be completed on the 30th September, 1925. Any delay after this date will unquestionably so seriously reduce the available balance of the Grant-in-Aid as to render inoperative the wishes of the Secretary of State for the Colonies which are that the provision available during the current financial year should meet the cost of the reorganisation. Furthermore, the anticipated saving of £E.90,000 to Imperial Funds during 1926–27 will be seriously reduced by any delay.

12. As regards the actual terms to be offered to members of the British Gendarmerie as compensation for breaking their contracts the Committee is of opinion :—

(*a*) that any full-pay leave due to a man should be granted to him;

(*b*) that for the balance of any period up to the expiration of his contract he shall be paid at half pay and allowances;

(*c*) that he shall be paid his gratuity in full as if he had completed his contract;

(*d*) that he shall be entitled to a free passage to the United Kingdom.

On the basis of averages already arrived at the cost of this proposal would be :—

——	Pay.	Leave Period (three months). Allowances at 2*s.* a Day.	Remaining Period. Five months at half rates.		Gratuity.	Total.
			Pay.	Allowances.		
	£E.	£E.	£E.	£E.	£E.	£E.
Constables - -	54	9	45	14	54	176
Corporals - -	58	9	48	14	58	187
Sergeants - -	64	9	54	14	65	206
Staff Sergeants -	71	9	59	14	72	225
Officers - -	138	*13	115	*22	138	426

* Cost of Living Allowance at full rates.

The total is as follows :—

		£E.	£E.
180 Constables - - - -	at 176	=	31,680
30 Corporals - - - - -	,, 187	=	5,610
23 Sergeants - - - - -	,, 206	=	4,738
10 Staff Sergeants - - - -	,, 225	=	2,250
16 Officers - - - - -	,, 426	=	6,816
			£E.51,094
Estimated cost of passages to United Kingdom - -			5,180
Grand Total -			£E.56,274

13. The estimated balance of the Grant-in-Aid for 1925–26 is therefore as follows :—

	£E.
Grant-in-Aid - - - - - - - - - -	191,437
Estimated Expenditure on British Gendarmerie up to 30/9/25 - - - - - - - - - - -	81,000
Balance available on 1/10/25 - - - -	£E.110,437
Cost of disbandment on 30/9/25 by meeting contractual obligations in full (*see* paragraph 10) - - - -	72,706
Cost of disbandment on 30/9/25 on compensation basis (*see* paragraph 12) - - - - - - - -	56,274
Total Balance on Grant-in-Aid by adoption of Compensatory basis - - - - - - -	£E.54,163

Therefore on the 1st October, 1925, the sum of £E.54,163 would be available for the Air Officer Commanding to meet the cost of the Palestine Gendarmerie for the period 1/10/25 to 31/3/26.

The provision for the Palestine Gendarmerie made in the Palestine Government Estimates for the year 1925–26 is £E.81,132 and the anticipated expenditure for this period approximates to the balance shown.

14. *Terms of reference* (*d*).—The Committee is agreed that, at any rate from a financial standpoint, the transfer of 200 British Gendarmes to the Police and the transfer of the Palestine Gendarmerie to the Royal Air Force must be simultaneous. The most suitable date would be the 1st October, 1925.

Taking this date and assuming that the disbandment on a compensation basis does *not* take effect, there may be any number up to approximately 250 British Gendarmes remaining in this country with an average period of eight months unexpired contract to run, of which an average period of three months is leave due.

It is suggested that so long as an appreciable number of British Gendarmes remain in the country the recruiting of the additional Mounted Police should be delayed and adjusted as the number of the British Gendarmerie decreases. This is on the understanding that during this period a certain proportion of the Palestine Gendarmerie (although transferred to the Royal Air Force and paid for from Imperial Funds) will remain, as at present, at the disposal of the Inspector-General of Police for Police duties.

If this proposal is accepted there will be a saving to the Palestine Government on the Estimates submitted as Appendix " B "* in respect of the additional Mounted Police not yet recruited.

It is therefore considered that an arrangement should be made between the Government of Palestine and the Air Ministry as to a financial adjustment in respect of the proportion of the Palestine Gendarmerie remaining at the disposal of the Inspector-General of Police.

As regards the number of British Gendarmes remaining in the country whose presence makes the above proposal necessary, it is suggested that they should be administered as at present; but remain concentrated for use as a reserve in case of emergency.

15. *Terms of reference* (*e*).—The Committee considers that the terms of reference do not require detailed particulars of the terms and conditions of service of the Force transferred and as such details have not been decided by the Air Ministry and Colonial Office it is impossible for this Committee to deal with the terms of transfer in detail.

Mr. Harvey did not concur in this opinion in view of the fact that it is envisaged that this Force will be taken over eventually by the Palestine Government. He considered that definite proposals should be submitted for consideration.

The Committee considers that if at any future date the Palestine Government takes over the Force again it will be entitled to lay down new conditions of service.

The Committee is of opinion that the conditions of service in the Irregular Forces should be approximately similar to those obtaining in the Civil Police and should in no case be such as to have adverse effect on recruiting for the Civil Police.

Such stores and equipment as are taken over by the Royal Air Force in respect of the Palestine Gendarmerie and by the Inspector-General of Police in respect of the British Gendarmerie should be valued by Boards with due regard to the invoice cost and the present condition of the articles. If the value of the stores taken over by the Inspector-General of Police exceeds the value of the stores taken over by the Royal Air Force the difference should be charged to Palestine funds and credited to the Imperial Government, and *vice versâ*.

Such stores as are not required by either party should be disposed of to the best advantage and the proceeds should be credited to the Imperial Government or the Palestine Government as the case may be.

* Not printed.

The Committee considers that the outstanding balance due to the Palestine Government in respect of advances for purchase of horses should be refunded by the Air Ministry on taking over the Force. This sum is not likely to exceed £E.1,000.

A. S. MAVROGORDATO,
Acting Inspector-General of Police - - Chairman.

A. J. McNEILL,
Colonel-Commandant, British Gendarmerie

C. A. SHUTE,
Major, D.A.Q.M.G.

P. J. WISEMAN,
Squadron Leader, C.A.O.

C. D. HARVEY,
Senior Assistant Treasurer.

} Members.

Appendix "A."

Terms of service for British Gendarmerie transferring to the Police.

1. *Period of Engagement.*

Five years as defined in Part II of Draft Police Ordinance.

2. *Pay.*

Sergeants, £E 15 a month.
Corporals, £E.13 ,,
Constables, £E.11 ,,
Extra duty pay of Pst. 150 per month to 15 motor drivers.

3. *Rations.*

These to be based on Army Scale and free issue made.

4. *Clothing.*

Free issues in accordance with Dress Regulations in force.

5. *Accommodation.*

Free accommodation, Fuel and Light and Water, will be provided.

6. *Hospitalization.*

Free Medical and dental treatment will be provided.

7. *Leave.*

Leave will be granted in accordance with regulations for Grade II, Junior Service British Officials. Men who are entitled to leave by virtue of service with the British Gendarmerie will retain such leave privileges up to a maximum of three months.

8. *Assisted Passages.*

Assisted Passages will be granted in accordance with Regulations for Junior Service British Officials —where accumulated assisted passage allowance under the British Gendarmerie contract exceeds the cost of assisted passage granted by the Palestine Government, the difference will be payable by the Palestine Government to the man on taking leave.

It was considered that this liability should not be paid from the grant in aid in view of the fact that it would entail immediate payment of sums which are now only a contingent liability and in any event would be spread over future years.

All assisted passages will be conditional on a direct transfer from the British Gendarmerie to the Police without any break in service.

9. *Free Passages.*

Free passages to the United Kingdom will be granted :—

(*a*) On completion of contract.
(*b*) In case of medical unfitness if recommended by a Medical Board.
(*c*) In case of discharge from the Force on any other grounds.
(*d*) In the event of approved resignation provided that two years' service has been completed.

Passages arranged which are not accepted will be forfeited.

10. *Pensions and Gratuities.*

Men transferring from the British Gendarmerie to the Police will be pensionable in accordance with the Pensions Ordinance and Regulations of the Palestine Government (not yet promulgated). Service in the British Gendarmerie will count for pension or gratuity under this Ordinance.

Provided that the transfer takes place direct without any break of service or without payment of gratuity from the British Gendarmerie.

In any event the gratuity already earned by virtue of service with the British Gendarmerie will be payable at the end of service under the Palestine Government, in addition to any gratuity which the man may subsequently become entitled to under the proposed new Palestine Government legislation.

The Committee assumes that any man entitled to an R.I.C. pension will draw it as soon as he ceases to be paid from Imperial Funds.

11. *Marriage or Separation Allowance.*

No separation allowance will be granted. For the present, accommodation for wives and families cannot be provided, men transferring must not bring their wives or families to Palestine without prior sanction of the Inspector-General of Police.

12. *Discipline and Administration.*

Men transferring from the British Gendarmerie to the Police will be subject to the provisions of the draft Police Ordinance. For purposes of Administration and Discipline they will serve under British Officers.

Appendix "C."

NOMINAL ROLL OF THE BRITISH SECTION OF THE PALESTINE GENDARMERIE (BY RANKS)* SHEWING DATES OF EXPIRATION OF CONTRACT—YEAR 1925/26.

OFFICERS.

Rank.	Name.	Date Contract ends.	Notice due.
Colonel	A. J. McNeill, C.B., C.B.E., D.S.O.	30/4/1926	1/3/1926
Lt.-Colonel	G. R. E. Foley, O.B.E.	,,	,,
Major	S. Forbes-Sharp, O.B.E., M.C.	,,	,,
Major	H. Carew, M.B.E., M.C.	28/3/1926	29/1/1926
Major	J. Munro, M.C.	30/4/1926	1/3/1926
Major	M. J. McConnell	,,	1/3/1926
Major	N. Songest	,,	1/3/1926
Captain	A. T. Blackett	24/4/1926	25/2/1926
Captain	E. H. Lawes, M.B.E.	30/4/1926	1/3/1926
Captain	E. W. Hylton	21/4/1926	22/2/1926
Major	H. M. Tyler	30/4/1926	1/3/1926
Captain	D. Wainwright	,,	,,
Captain	T. F. Burke, D.S.O.	,,	,,
Captain	A. T. Barker, M.C.	,,	,,
Captain	J. L. Davies	,,	,,
Captain	R. L. Worsley	21/4/1926	22/2/1926
Captain	R. Cafferata	,,	,,
Captain	H. E. Fitzgerald	,,	,,
Captain	J. A. Bockett	,,	,,
Captain	P. T. Goodwin	30/4/1926	1/3/1926
Lieutenant	F. M. Scott, M.C.	,,	,,
Lieutenant	R. B. Parker	,,	,,
Lieutenant	J. L. Shute, M.C.	,,	,,
Lieutenant	G. H. Lenox, M.C.	20/4/1926	21/2/1926
Lieutenant	J. M. Kyles	30/4/1926	1/3/1926
Lieutenant	H. Campbell	,,	,,
Lieutenant	E. M. V. James	,,	,,
Lieutenant	R. K. Caparn	,,	,,

ENCLOSURE 3 IN No. 1.

YOUR EXCELLENCY,

To see recommendations of Committee appointed to consider and report on certain questions, as set out in the terms of reference which formed an enclosure to Secretariat letter of the 4th July, respecting the re-organisation of the Public Security Forces in Palestine.

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* Nominal Roll of other Ranks not printed.

2. It is desirable that the terms of disbandment of the British Gendarmes and the terms of re-enlistment in the Police Force should be made known simultaneously, since re-employment would modify the terms of disbandment in the case of those who may be enlisted in the Police Force.

3. The terms of disbandment as recommended by the Committee are set out in paragraph 12. I agree generally with the terms proposed; but would point out that the premature termination of contracts, other than in cases provided for in the contracts, can only be effected contractually—that is by offer and acceptance. If, therefore, the offer made to the men is not accepted by any of them it would be preferable to retain their services in a section of the British Gendarmerie rather than to disband them with full contractual rights.

4. The proposed terms of service with the Police Force are set out in Appendix "A." * I would make the following observations:—

3. *Rations.*—It is necessary to provide also for a fixed cash payment in lieu of rations since, in all probability, under the changed conditions many of the Police would be detached from the main body.

Is it proposed that rations should be issued to the men only or to their families as well?

5. *Accommodation.*—It is necessary to describe more clearly the accommodation to be provided.

6. *Hospitalisation.*—It is necessary to define the extent of the medical and dental treatment to be provided, and to state whether such treatment shall be extended to families. This might be effected by adding the words "in accordance with local regulations."

7. *Leave.*—No leave should be granted in excess of that provided in the Leave Regulations; but subject to this the leave earned in respect of service under the British Gendarmerie might be taken into account.

8. *Assisted Passages.*—It is proposed to grant assisted passages in accordance with regulations concerning British Officers of the Junior Service; but it must be remembered in this connection that it is proposed to engage these men for a period of five years on the termination of which a free passage will be granted. It follows, therefore, that in many cases there would be a brief interval only between the grant of assisted passage and also a free passage.

It should be considered whether in the case of the British Police leave should be granted after a definite period of service, say three years, and to extend the period of enlistment from five to six years.

No assisted passage allowance should accrue after enlistment in the Police, otherwise I see no objection to any assisted passage previously earned being defrayed as proposed.

9. *Free passages.*—The class of passage should be stated and it should also be stated whether free passages are to be provided for families; the proposals are altogether too wide. They should follow the terms and conditions usually embodied in agreements entered into by the Crown Agents on behalf of Governments. Moreover, it is not understood why (*d*) has been embodied.

10. *Pensions and Gratuities.*—In this connection I append paragraph 24 of the Secretary of State's despatch, No. 606, of the 6th May last† :—

> "I take this opportunity to inform you that from recent discussions between officers of the Colonial Office and the Treasury it appears probable that it will be found desirable to insert in the Police Ordinance provisions for the grant of pensions and gratuities to Police Officers other than Officers of the Senior Service, whose cases will be regulated by the Pensions Ordinance. It is not, however, at present possible to lay down the lines of the provisions required."

I have asked the Inspector-General to submit proposals in order that they may be communicated to the Secretary of State with a request that a decision with regard to the terms of pensions and gratuities, in the case of British Police, may be taken as soon as possible.

5. The Secretary of State in telegram No. 198 of the 3rd instant‡ has requested that the scheme should be completed on the lines agreed in April and submitted to

* In Enclosure 2. † 2660/25; not printed. ‡ 29276/1925: not printed.

him as soon as possible. There is no record of the scheme in the Secretariat; and the report by the Committee does not fully answer the purpose. I have requested the Inspector-General verbally to furnish the necessary information giving the present and proposed organisation and the present and proposed disposition of the Gendarmerie and Police.

S. S. Davis,
Acting Chief Secretary.

8/7/25.

Enclosure 4 in No. 1.

P. 16/5. 7/7/25.

From the Inspector-General to the Chief Secretary.

Subject: Re-organisation of the Police Force.
Reference: Treasury minute dated 26/6/25.

In accordance with your instructions, I submit herewith two schedules, "A" and "B," showing the present and the proposed distribution of the Police Force. A list of the additional appointments is also attached and marked "C."

2. You will observe from the attached memorandum marked "D" that it is proposed in the re-organisation that there should be three Police Districts with Headquarters at Haifa, Jerusalem and Jaffa. The Northern District will be the present Administrative District, *i.e.*, Haifa, Nazareth and Nablus sub-districts; the Jerusalem District as at present; and the Southern District, the sub-districts of Jaffa, Hebron, Gaza and Beersheba.

3. The Districts will be administered by Grade I. D.C.Ps. who will be assisted by D.D.C.Ps. to be stationed at the following places:—

Northern District - - - -	Haifa, Nazareth, Nablus.
Jerusalem District - - - -	Jerusalem.
Southern District - - - -	Jaffa, Gaza.

4. The additional appointments of officers shown on schedule "C" are necessary for the following reasons:—

Item 7. *British Veterinary Officer, Grade III*, £E.550—25—750.

I refer to my P. 28/10 of 29.7.24 and the Director of Agriculture's V/177 of 24/11/24. The Veterinary Service of the Department of Agriculture is quite inadequate to provide proper veterinary attention for the animals of this Force.

Item 11. *Paymaster, Grade IV*, £E.400—25—500.

It was originally intended to combine this post with that of the Quartermaster, but on further consideration it is evident that this proposal cannot be carried out. The two posts are entirely separate and distinct, and it is in any case obvious that two officers will be required if the work is to be carried out in an efficient manner.

Item 14. *Armourer, Grade I*, £E.312—12—360.

It is essential that a qualified Armourer be appointed for the repair and general maintenance of the large number of arms on the strength of the Force. An Armourer was appointed to the Palestine Section of the Gendarmerie three years ago, and that Force has considerably less rifles and other arms than the Police Force. The Armourer will also be employed on re-conditioning confiscated arms and it is obvious that large savings will be made by this proposal.

Items 18–24. *One additional clerk in Grades II, III, IV and V, Junior Service.*

The increase in the strength of the Force and the inclusion of over 200 British Police will entail a very large increase in the work at Headquarters.

It is impossible to reduce District clerical establishments to obtain an increase for this office as District Headquarters are also unable to satisfactorily cope with the large volume of office work, which is steadily increasing.

Item 34. 3 *D.D.C.Ps. at* £E.£550—25—£E.750.

Officers of this Grade are at present stationed at Jaffa, Gaza and Nazareth and the Commandant of the Training School is temporarily acting in this capacity in Jerusalem. The proposals entail the posting of a D.D.C.P. to Haifa and Nablus and also provision of a D.D.C.P. at Jerusalem to replace the Commandant, Police Training School, at present employed as such, *vide* paras. 2 and 3 above.

Item 37. 2 *A.D.C.Ps.* (*British*), £E.400—25—500.

It is proposed to station an officer of this Grade at Metullah and Rosh Pina, from which places the Gendarmerie troops will be withdrawn. It will be necessary to maintain a considerable number of Police at these places and it is, therefore, necessary to station a Senior Officer at each point.

Item 41. 4 *A.D.C.Ps. Grade V.* (*Palestinian*), £E.300—20—400.

These officers will be attached to each District and the Sub-District Headquarters and will undertake the investigation and prosecution of all important cases. They will also keep the D.C.P. and D.D.C.P. fully informed of all crime and the progress of cases. The increase of four is necessary under the Districts and Sub-Districts organisation explained in para. 2. This includes and additional A.D.C.P. for Beersheba.

Item 47. *Six British Inspectors*—£E.312—12—360 (*Grade I, Junior Service*).

It is proposed that these officers should be employed as Divisional Inspectors, and for this purpose the Force has been divided into 12 divisions. The present strength of officers in this Grade is six, and an increase of six is, therefore, necessary. It will be observed that it is proposed to place these officers on the highest grade of the Junior Service as it is considered that the present salary is insufficient for an officer charged with such important duties and it is desired to obtain well educated and intelligent men for these posts.

Items 48–53. 1*st*, 2*nd*, *and Sub-Inspectors.*

The changes in the establishment of these officers are rendered necessary by the proposed organisation of the Force. The 1st Inspectors will be employed as Court Inspectors at Haifa, Nazareth, Nablus, Jerusalem, Jaffa and Gaza. The 2nd Inspectors are required as assistants to the 12 British (or Divisional) Inspectors and the Sub-Inspectors to take charge of Police Stations. This involves a reduction of three 1st Inspectors and one 2nd Inspector and an increase of six Sub-Inspectors.

Items 54–59. *Mounted Police.*

This item involves an increase of three sergeants, 20 corporals and 153 constables, who are required to replace the detachments of Palestine Gendarmerie which will be withdrawn from active police duty on the re-organisation of that Force. It will be observed that the proportion of N.C.Os. has been increased to the ratio of one sergeant to 20 constables and one corporal to 10 constables. The Force has suffered considerably by the shortage of N.C.Os. and the proportion proposed is the minimum for the efficient performance of police duty.

Items 69–75. *Police Training School.*

I refer to my P. 13/15 of 19.2.25 and your Confidential despatch, reference No. 12804 of 27th February, 1925,* to the Secretary of State and Mr. Amery's Confidential despatch dated 11th June, 1925.*

Items 78–88. *British Police.*

It is proposed to take over from the British Section of the Palestine Gendarmerie, six officers and 209 O.Rs. and they will be distributed as shown in Appendix "B." They will be normally employed on traffic duties and road patrols and as their knowledge of Arabic and Hebrew improves it is proposed to employ them on other duties also. It will be observed that it is proposed to place small detachments at Jaffa, Gaza and Hebron in addition to the detachments at present maintained.

* 10966/25; not printed.

Other Charges.

An increase in the present provision corresponding to the increase in the Force has been made and provision has also been made for the maintenance of 10 Ford lorries and five Ford Tourers for the British Police.

A. J. Kingsley Heath
for *A/Inspector General P. & P.*

Appendix "A."

Distribution State, 1925–26.

—	Officers.												Other Ranks.						Transport.			Total.		
													Mounted.			Foot.							Other Ranks.	
	D.I.G.	A.I.G.	D.C.P.'s, Gr. I.	D.C.P.'s, Gr. II.	A.D.C.P.'s, Gr. I.	A.D.C.P.'s, Gr. II.	Instructional Off.	Bandmaster.	British Inspectors.	1st Inspectors.	2nd Inspectors.	Sub-Inspectors.	Sergeants.	Corporals.	Constables.	Sergeants.	Corporals.	Constables	Transport Animals.	A.T. Carts.	Motor Cycles.	Officers.	Mounted.	Foot.
Head Quarters	1	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1	3	–	–
P.T.S. -	–	–	–	1*	–	–	1†	–	–	1‡	–	–	1	–	–	1	2	4	2	1	–	3	1	7
Jerusalem	–	–	1	1	3	2	–	1	4	3	4	7	3	4	58	8	15	268	8	4	3	26	65	291
Southern	–	–	–	1	1	1	–	–	–	1	2	5	3	5	51	3	4	46	4	2	–	11	59	53
Samaria -	–	–	1	–	1	1	–	–	1	2	3	3	4	4	71	3	6	98	2	1	–	12	79	107
Northern	–	–	1	1	1	2	–	–	1	2	4	5	6	7	88	6	13	172	4	2	2	17	101	191
Preventive Force	–	–	–	–	–	1	–	–	–	–	–	–	–	–	–	–	–	12	–	–	–	1	–	12
Total -	1	2	3	4	6	7	1	1	6	9	13	20	17	20	268	21	40	600	20	10	5	73	305	661

* Acting D.D.C.P. in Jerusalem, Mr. — F. A. Partridge.
† Acting A.D.C.P. in Jerusalem–Jaffa, Mr. — A. Bendavid.
‡ First Inspector—Surplus in Samaria District.

Appendix "B."

Distribution, Three Districts.

—	D.C.P.	D.D.C.P.	A.D.C.P., I.	A.D.C.P., II.	Bandmaster.	British Inspector.	1st Inspector.	2nd Inspector.	Sub-Inspector.	Mounted.			Foot.			British Police.					
										Sergeants.	Corporals.	Constables.	Sergeants.	Corporals.	Constables.	D.D.C.P.	A.D.C.P.	Sergeants.	Corporals.	Constables.	
Jerusalem -	1	1	1	2	1	2	1	2	5	2	6	56	6	13	166	1	2	4	4	93	Jerusalem
Southern:																					
Jaffa -	1	2	2	4	–	4	2	4	8	6	11	115	5	9	140	–	1	1	1	20	Jaffa
Gaza -																		1	1	11	Gaza
Beersheba																		1	1	11	Hebron
Hebron -																					
Northern:																					
Haifa -	1	3	5	4	–	6	3	6	13	12	23	250	10	20	201	–	1	1	1	22	Haifa
Nazareth -																	–	1	1	10	Nazareth
																	1	1	1	22	Nablus
Total -	3	6	8	10	1	12	6	12	26	20	40	421	21	42	507	1	5	10	10	189	

Appendix "C."

LIST OF ADDITIONAL APPOINTMENTS.

Item No.		
(1)	7/8	1 British Veterinary Officer—Grade III, £E.550–25–750, plus £E.50 p.a., Expatriation Allowance.
(2)	11/12	1 Paymaster—Grade IV, £E.400–25–500 plus £E.50 p.a., Expatriation Allowance.
(3)	14	1 Armourer—Grade I, Junior Service, £E.312–12—£E.360 plus £E.40 p.a., Expatriation Allowance.
(4)	18	1 Clerk Grade II, £E.252–12–300.
(5)	20	1 Clerk ,, III, £E.192–6–240.
(6)	22	1 Clerk ,, IV, £E.144–6–180.
(7)	24	1 Clerk ,, V, £E. 96–6–132.
(8)	34	3 Deputy District Commandants of Police, Grade III, £E.550–25–750 plus £E.50 p.a., Expatriation Allowance.
(9)	37/38	2 Assistant District Commandants of Police, Grade IV, £E.400–25–500 plus £E.50 p.a., Expatriation Allowance.
(10)	41	4 Assistant District Commandants of Police, Grade V, £E.300–20–400 p.a.
(11)	47/48	6 British Inspectors, Grade I, Junior Service £E.312–12–360 plus £E.40 p.a., Expatriation Allowance.
(12)	48/53	Involves an actual increase of 3 Sub-Inspectors @ £E.168 p.a.
(13)	54/59	3 Mounted Sergeants @ £E. 10 p.m. 20 ,, Corporals @ £E. 8 ,, 153 ,, Constables @ £E. 6 ,,
(14)	61	2 Foot Corporals @ £E. 8 p.m.
(15)	73	2 Sergeants @ £E. 10 ,, Instructors P.T.S.
(16)	74	1 Corporal @ £E. 8 ,, ,, ,,
(17)	75	30 Recruits @ £E. 5 ,,
(18)	78/79	1 Company Commdr. B.P., Grade III, £E.550–25–750.
(19)	80/81	5 Company Officers, Grade IV @ £E.400–25–500 plus £E.50 p.a., Expatriation Allowance.
(20)	82	10 Sergeants B.P. @ £E.15 p.m.
(21)	83	10 Corporals ,, @ £E.13 ,,
(22)	84	189 Constables ,, @ £E.11 ,,
(23)	86/88	Casuals.

Appendix "D."

Dept. of Police & Prisons,
P.O.B. 436,
Jersualem.

P. 16/5. 8.7.1925.

District Commandant of Police—
Jerusalem–Jaffa District.
Northern District.
Southern District.
Samaria District.

Subject:—Reorganisation and Redistribution of the Palestine Police Force consequent on the Reorganisation of the Civil Forces

(1) The reorganisation of the Civil Forces, which has been approved in principle, may be briefly stated as follows:—.

(a) *The Palestine Police.*—This Force is to consist of 1,500 Officers and Other Ranks (excluding personnel employed with Jail Labour Companies and the Preventive Police), and the total cost is not to exceed the approved estimates for the present Force and the Palestinian Section of the Gendarmerie. This amount is £E.287,637. The *cost* of the Jail Labour Companies and Preventive Police must be met by this amount.

A percentage of British Police drawn from the British Section of the Gendarmerie will be included in the Force and is fixed at 6 Officers and 209 Other Ranks. The remainder of the British Section of the Gendarmerie will not be retained.

(b) *The Palestinian Section of the Gendarmerie.*—This Force will be under the control of the Air Officer Commanding in Palestine and will not carry out any Police duty. It will be stationed in detachments of approximately 150 Officers and Other Ranks at the aerodromes at Samakh, Sarafand (Ramleh) and Beersheba. It will carry out patrols in the neighbouring areas, but will not normally give any other assistance to the Police except in cases of raids or highway robberies carried out by numbers which the Police are unable to adequately deal with.

(2) A redistribution of the Police Force has been made and is shown in detail in Appendix "A." The redistribution is based on the present Police Districts. It is, however, probable that the country will shortly be divided into two Administrative Districts (excluding the present Jerusalem Sub-District) and in this event it will be necessary to reorganise the Police Districts in accordance with the Administrative Districts. This is shown in Appendix "B.".

(3) As District organisations are not in all respects similar it is necessary to define clearly the relations and functions of all Officers.

(1) *D.C.P.'s and D.D.C.P.'s.*—The duties of these officers remain unchanged.

(2) *A.D.C.P.'s (British).*—These Officers will each hold charge of two Police Divisions.

(3) *A.D.C.P.'s (Palestinian).*—These Officers will be attached to District and Sub-District Headquarters and will undertake the investigation and prosecution of important cases as directed by the D.C.P. or D.D.C.P. They will also keep the D.C.P. or D.D.C.P. fully and promptly informed of all crimes and the progress of cases.

British Inspectors.—These Officers will each hold charge of 1 Police Division and will be assisted by a 2nd Inspector.

1st Inspectors.—These Officers will be employed as Court Inspectors.

2nd Inspectors.—*See above* under Heading "British Inspectors." These Officers will superintend the investigations and will keep the British Inspector fully informed of the progress of all cases.

Sub-Inspectors.—These Officers will each hold charge of a Police Station.

(4) The reasons for the changes in the present District establishments are as follows:—

(a) *Jerusalem-Jaffa.*—The revised establishment of Officers is based on the organisation explained above and is generally in accordance with the present District organisation of 2 Sub-Districts or 4 Police Divisions. The increase of mounted Police is made to enable the District to take over the Jericho area, where it will be necessary to employ about 20 mounted Police. The decrease in dismounted Police is compensated for by the addition of approximately 100 British Police at Jerusalem and 20 British Police at Jaffa.

(b) *Samaria.*—The same remarks apply in regard to Officers.

The increase of mounted Police is made to enable the District to supply 1 N.C.O. and 4 men at Jisr Majamieh, 10 at Beisan and 10 at Giftlik. The reduction of foot Police is compensated for by the addition of 20 British Police at Nablus.

(c) *Southern.*—Officers in accordance with above.

The increase in mounted and dismounted Police is made to enable the District to take over the Beersheba Sub-District, excluding Asluj and Tel El Milh.

(d) *Northern District.*—The same remarks apply in regard to Officers.

The increase in A.D.C.P.'s I. is to enable an Officer of this grade to be posted to Metullah and probably Roshpina. A Sub-Inspector will also be required for Samakh.

The increase in mounted Police is made to enable the District to take over Metullah, 30 mounted Police, Roshpina 20 mounted Police, Samakh 6 mounted Police; 20 British Police will be stationed at Haifa and 10 at Nazareth, and the reduction in dismounted Police is compensated by these increases.

(5) The change shown in Appendix "B" involves the transfer of the present strength of the Jaffa Sub-District to the Southern District plus the British Police to be stationed there, and the transfer of the revised strength of the Samaria District to the Northern District.

(6) D.C.P.'s will submit in writing any observations they wish to make on the proposed reorganisation and redistribution to this office *not later than 20th instant* in order that they may be considered before the D.C.P.'s conference which it is proposed to hold in the near future.

A. S. MAVROGORDATO,
A/Inspector General Police & P.

P.S.—D.C.P.'s will regard this information, which is purely of a tentative nature, as entirely personal to themselves and they are not to discuss it with their own officers, officers of the administration or others.

50377

No. 2.

PALESTINE.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(*Received 9th November*, 1925.)
(*Answered by Nos. 4 and 11.*)

CONFIDENTIAL. B. 30th October, 1925.

SIR,

I have the honour to submit proposals for the reorganisation of the public security forces in Palestine and Trans-Jordan.

2. I have adopted the principle that a clear distinction as regards functions and organisation must be made between the forces to be employed on normal police duties and those who may be required to engage in military operations. In conformity with this principle and with political requirements I have provided separate establishments for police in Palestine and in Trans-Jordan on scales that will render each country as nearly as possible independent and self-contained as

regards its internal security; and I propose to raise and organise as an Imperial unit a mounted regiment for service in both countries which, in the military sense and from the standpoint of mandatory obligation, cannot be separated.

3. The adoption of my proposals will entail the disbandment of the Gendarmerie, British and Palestinian Sections, and the Arab Legion, units which have rendered good service in their several capacities, but whose functions are not compatible with the principle enunciated above.

There will be places for 5 officers and 212 other ranks of the British Section of the Palestine Gendarmerie in the new establishment of the Palestine Police. The remainder of this fine, but, in present circumstances, unduly expensive force will be discharged; the detail of arrangements for this will be communicated in a separate despatch.

A part of the Palestinian Section will similarly be absorbed with the Palestine Police: the rest, organised in three detachments and a camel company, will form the nucleus of the new (Imperial) regiment.

The police force in Trans-Jordan will be composed of selected officers and men from the Arab Legion: legionaries not required for the police will be eligible for enlistment in the (Imperial) regiment.

4. It is important that this reorganisation shall be carried out as quickly as possible in order that it may be completed during the winter months and before the summer when raids and political disturbances are more likely to occur. For this reason it is desirable that, as soon as the general scheme is approved, it should be executed in the following stages:—

(1) Recruit constables, British and Palestinian, to complete the new establishment of the Palestine Police;

(2) Form skeleton companies of (Imperial) regiment from remainder of Palestinian Section of the Gendarmerie;

(3) Organise Civil Police in Trans-Jordan;

(4) Complete establishment of (Imperial) regiment by enlistment of legionaries surplus to requirements under (3);

(5) Complete organisation and training of (Imperial) regiment;

(6) Disband rest of British Section of the Palestine Gendarmerie.

5. As regards commands, I recommend that Mr. A. Mavrogordato be appointed Commandant of the Palestine Police, his functions will be prescribed in the revised draft of the Police Ordinance which I am submitting in a separate despatch; that Lieutenant-Colonel F. W. Bewsher, D.S.O., O.B.E., M.C., command the regiment which will form an integral part of the local military garrison; and that the Amir Abdalla be moved to appoint Lieutenant-Colonel F. G. Peake, O.B.E., as Commandant of the Police in Trans-Jordan.

6. I append the establishments for the Palestine Police and Imperial regiment which have been prepared in accordance with my instructions by the officers concerned. They are designed with a view to economy in so far as this is compatible with a reasonable measure of security, and on the assumption that the pay and general conditions of each service will be such as to attract the best personnel available. It is intended by quality, efficiency and, particularly in the case of the regiment, by mobility to make up for any deficiency in numbers.

I desire to make certain observations concerning these establishments.

(i) *Palestine Police, Appendix* "*A.*"—The main features of the reorganisation are the stiffening of the force by a reinforcement of 212 British constables who will be available to deal with serious disorder in the towns and to patrol main roads; the addition of 257 mounted policemen to replace Palestine Gendarmerie for police work on the eastern frontier; and provision for a training depôt (Police School) which I consider essential to the efficiency of the force. The complement of officers has been made with a due proportion of British officers. These additions entail a total liability of £E.314,780 a year to the Palestine Budget for public security and will increase the disproportion of expenditure on this as compared with other Government services. Whilst I am not prepared to recommend a reduction on this expenditure immediately, I can give an asurance that every effort will be made to effect a reduction of the police vote in subsequent years.

Appendix "*B*" contains the terms of service to be offered to British Gendarmes transferring to the Police. Provided that the ultimate paragraph of Clause 11 is

not repugnant to the Regulations governing the payment of Royal Irish Constabulary pensions I consider these terms suitable, and shall be glad to receive your approval of them to enable me to begin recruiting at once.

(ii) (*Imperial*) *Regiment. Appendix* "*C.*"—The designation of the force will require to be decided. I thought that "The Jordan Regiment" might be brief and sufficiently descriptive: the Air Officer Commanding, who discussed the question with a number of officers, thinks "The Palestine and Trans-Jordan Frontier Force" would be a better title. Either of these names would adequately denote the military function of the force.

The distribution of the regiment as proposed by the Air Officer Commanding, and with which I agree, will be as under:—

Station.	*Unit.*	*Strength.*
Amman	Headquarters	36
	2 Companies Mounted Rifles	306
	2 Troops (Hotchkiss guns)	75
Ma'an	1 Camel Company	153
Sarafand (Palestine)	1 Company Mounted Rifles	153

The Air Officer Commanding has been consulted throughout, and the establishment, rates of pay, &c., are generally based on his recommendations. He would naturally have wished for a larger force, but financial considerations render this impossible in my opinion. I consider, moreover, that the number of British Company Officers might without risk be reduced from three to two per Company, and further reductions will probably be possible after a year of this experiment. For this reason Contracts for all British Officers (and British other ranks) should be for periods of two years only, with a Government option to extend to five.

The views of the Air Officer Commanding in this connection are contained in the notes enclosed with his letter of the 14th of October (*see* Appendix "C"). I would invite particular attention to Sections I. and II. of these notes, which specify the cash credits which will have to be provided immediately if the regiment is to be organised, equipped and accommodated by next spring and ready for the intensive training which will be necessary before its full military value can be attained.

This Regiment will, as all other military units, be under the Air Officer Commanding, and the small establishment recommended for it is based on the assumption that units of the Air Force will always be available if required to co-operate with it.

In my opinion the present establishment of the Air Force in Palestine and Trans-Jordan is inadequate and should be increased by at least two flights.

(iii) As regards the establishment for the Trans-Jordan Police I have received from the chief British representative estimates for a force of a total strength of 977 men and costing £E.114,000. These extravagant estimates I fear may reflect an unwillingness on the part of the Amir and his Minister to have an Imperial Unit under British Officers in Trans-Jordan, and failure to appreciate the improvement in public security that should accrue from the presence of such a unit, and the absolute necessity to bring the cost of the local police into a better relation to the attenuated budget of the territory.

I have pointed out to the Amir that His Majesty's Government will decide the means necessary for the fulfilment of their Mandatory obligation regarding the protection of Trans-Jordan from external aggression, an obligation that will be recited in any agreement that may be concluded between the Amir and His Majesty's Government concerning the political status of Trans-Jordan; and I have instructed the Chief British Representative to submit revised estimates for a police force that shall not cost more than £E.70,000 a year. These revised estimates will be forwarded to you in due course.

7. The financial liability in connection with this scheme of reorganisation was outlined in my telegram "Confidential" No. 314 of the 15th of October.*

Estimates of recurrent expenditure on the several forces are:—

	£E.	£E.
Palestine Police	272,354	
,, Prisons	42,426	
		314,780
Trans-Jordan (say)	70,000	70,000
Regiment	152,137	152,137

* 46776/1925: not printed.

In addition, a capital expenditure of nearly £E.80,000 may be required to provide accommodation, including a hospital building for detachments of the regiment in Trans-Jordan, and for purchases of horses, arms and equipment. Provision must also be made for the cost of the rest of the British Section of the Gendarmerie until its final disbandment. To meet these liabilities, recurrent and capital, but exclusive of the cost of the reorganised Palestine Police which will be borne by Palestine, an amount not less than the sum of this year's grants-in-aid to Trans-Jordan (£E.115,000) and for the British Gendarmerie in Palestine (£E.191,000) will be necessary in 1926–27. Thus, whilst the introduction of the new scheme will afford little or no relief to the British Treasury next year, it may confidently be anticipated that in the following year, even assuming that the Trans-Jordan Government is still unable to meet the whole of the cost of their police, the total of British direct expenditure in Palestine and Trans-Jordan, exclusive of the cost of the regular military garrison, will be reduced to about £E.200,000, and I am confident that further reduction will be practicable in the years following.

I am aware that the preparation of the scheme now submitted has taken some time and that it is only reasonable that it should receive very careful and deliberate consideration, but I trust I may receive an early approval of the scheme in principle. I should be grateful if this might be communicated to me by telegram, together with approval of the terms of service for British Gendarmes engaged with the Palestine Police and for the preliminary credits required by the Air Officer Commanding and specified in Appendix "C."

I have, &c.,

PLUMER, F.M.,

High Commissioner.

P.S.—For convenience I am transmitting a copy of this despatch and its enclosures to the Air Ministry.

Appendix "A."

Secret. 12th October, 1925.

From the Inspector-General to Chief Secretary.

Subject: Reorganization—Palestine Police Force.

On the 19th September at the meeting held by His Excellency the High Commissioner at which the following were present:—

Chief Secretary.
Treasurer.
Acting Inspector-General.

His Excellency decided to accept in principle the proposals for the reorganization of the Police Force and the dispositions as shown in attached draft Estimates and Returns.

These are now submitted for necessary action.

2. These estimates have been discussed with the Treasurer and I refer to his letter No. 167/7701 of 21.9.25 addressed to you.

(*a*) The amounts provided in respect of salaries for European personnel will be revised when it is decided what officers will be appointed to fill the posts.

(*b*) Provision has been retained for a British Veterinary Officer but if the Treasurer so desires there is no reason why he should not be transferred to the Estimates of the Department of Agriculture provided he is specially detailed for Police duties. There will be nearly 700 animals on the Police Establishment and up to date, owing to shortage of staff the veterinary attention which the Department of Agriculture has been able to give us has been inadequate. I consider that the attachment of a British Veterinary Officer to the Police is an essential necessity. He will be able to train farrier sergeants and the benefit to the Government will be great.

(*c*) The sum of £E.10,000 provided for uniforms and clothing was based on present stocks. The Treasurer, however, desires the Estimates to include Palestine Police, British Police and Training School and the estimated figure is now £E.16,000.

(*d*) The sum of £E.16,000 estimated for forage was based on average forage prices over the last three years. The Treasurer, however, prefers that the Estimates should be based on the present rather abnormally high prices and the figure therefore now is £E.24,000.

(*e*) In regard to special expenditure the amount provided for riding horses is to enable me to purchase 12 horses for the Training School. It is essential to have a Riding School with Government-owned horses, as the men will not provide their own horses while at the Training School, but will do so when drafted out for regular duties in the Force.

(*f*) Provision has been made in these Estimates for a certain amount of clothing to be taken over with the men of the British Gendarmerie transferring to the Police and also their arms; but no provision is made for the motor vehicles to be taken over, although their upkeep has been provided for.

(*g*) I have retained the two British Inspectors for the Training School, as I consider them necessary. The savings effected by reducing one would be very small, and in the initial stages I think we shall require two. I think it would probably be possible to reduce one later when the institution is running smoothly.

(*h*) The items under "Other Charges" have been included under a single heading as directed.

(*i*) The sum of £E.2,000 has been provided under "Other Charges" for Passages for the British Police.

(*j*) I have consulted the Treasurer and the Director of Health as directed.

The Medical Charges are estimated at £E.400 for a normal year, and I suggest that the Director Public Health be instructed to include this amount in his Estimates.

The extra cost-of-living allowances required are estimated at an additional £E.1,200, and the Treasurer may wish to make provision for this.

The additional cost of Railway Fares and Freight (Foreign) is estimated at £E.500.

The Treasurer informed me that he would take up the question of Repairs and Maintenance of Buildings and Works and Buildings (Capital Expenditure) himself.

(*k*) This draft of the Estimates contains provision for the salaries and allowances of the Officers employed in Trans-Jordan. The amount is £E.1,690, and is shown under a separate subsection.

3. His Excellency informed me that he wished the Officers of the Palestine Gendarmerie to be considered for some of the appointments under the new reorganisation, and also that a large percentage of the additional mounted men required for the Police Force should be taken from the Palestine Gendarmerie.

4. I recommend that out of the Palestine Gendarmerie Officers, Troop Commanders J. W. Smith and M. Fitzgerald should be employed, and that the whole of the 257 additional mounted personnel required shall be enlisted from the Palestine Gendarmerie provided these members are willing to serve.

5. In accordance with His Excellency's instructions, I have discussed this matter with the Air Officer Commanding and Lieutenant-Colonel Bewsher.

We have agreed that the terms of service in the Palestine Police Force and in the new Military Force shall be stated to Troop Commanders Smith and Fitzgerald, and if these Officers wish to transfer their services to the Palestine Police Force, the Air Officer Commanding and Lieutenant-Colonel Bewsher will raise no objection.

Troop Commanders Smith and Fitzgerald are Officers Grade III. For these posts, however, only Grade IV Officers have been provided, but I understand that, subject to His Excellency's approval, the Treasurer would have no objection to these Grade IV posts being held by Grade III Officers in the special cases of Troop Commanders Smith and Fitzgerald.

6. Taking these facts into consideration, I now submit an amended distribution list of Officers.

The Officers on this list marked * are Officers now serving with the British Section of the Gendarmerie, and those marked † are serving with the Palestinian Section of the Gendarmerie and therefore, their appointments depend on their willingness to serve and the recommendation of their respective Commanding Officers.

In addition, there are four vacancies for Grade IV appointments with the British Police in respect of which I understand His Excellency is consulting Colonel McNeill.

7. His Excellency has agreed to the following nomenclature for the different grades in the Police Force:—

1. Commandant, Grade I.
2. Deputy Commandant, Grade II.
3. Officer Commanding Training School and Depôt, Grade II (*a*).
4. District Superintendent, Grade II (*a*).
5. Deputy Superintendent, Grade III.
6. Superintendent, Criminal Investigation Branch, Grade III.
7. Assistant Superintendent, Grades IV and V.
8. Quartermaster, Grade IV.
9. Paymaster, Grade IV.
10. Inspector.
11. Sub-Inspector.
12. Sergeant.
13. Corporal.
14. Constable.

British Police.

1. Officers in accordance with above nomenclature.
2. Head Constable.
3. Quartermaster-Sergeant.
4. Sergeant.
5. Corporal.
6. Constable.

8. I consider the time has now come when an official statement should be made to the British Gendarmerie, more especially to the Officers of that Force who it is proposed to employ with the Palestine Police Force. Having done this and having ascertained the Officers who are willing to serve, it will then be necessary to publish terms of service for the N.C.O's and O.R's, and I would request that His Excellency may authorise me to take this preliminary step.

A. Mavrogordato,

A/Inspector-General, P. & P.

Recommended Distribution List of Officers.

Palestine Police Force.

Head Quarters.

A. S. Mavrogordato	Grade I.
A. Saunders	,, II.
A. J. Kingsley Heath	,, III.
J. A. Broadhurst	,, III. (C.I. Branch.)

Training School and Depôt.

*G. R. E. Foley	Grade II. (*a*).

Northern District.

Haifa	W. F. Sinclair	Grade II. (*a*).
		,, III.
	J. A. M. Faraday	,, IV.
	F. C. Steel	,, V.
Safad	*M. J. McConnell	,, III.
Metullah	*J. M. Kyles	,, IV.
Samakh	†J. W. Smith	,, III.(Grade IV. appt.)
Roshpina	Abdin Bey	,, IV.
Nablus	*S. Forbes Sharp	,, III.
	*A. T. Barker	,, IV.

Southern District.

Jaffa	E. P. Quigley	Grade II. (*a*).
	L. Harrington	,, III.
	M. S. O'Rorke	,, IV.
Gaza	E. Lucie Smith	,, III.
	S. C. Atkins	,, IV.
Hebron	Shawki Saad	,, IV.
Beersheba	†M. Fitzgerald	Grade III.(Grade IV. appt.)

Jerusalem.

W. F. Wainwright	Grade II. (*a*).
F. A. Partridge	,, III.
W. J. Howard Beard	,, IV

British Police.

*J. Munro	Grade III.
	,, IV.
	,, IV.
	,, IV.
	,, IV.

Palestine Police.

	Present. Mounted.			Foot.			*Proposed.* Mounted.			Foot.		
Northern District	10	11	159	9	19	270	16	22	273	10	20	270
Southern District	5	7	79	6	9	134	9	16	153	9	11	160
Jerusalem	2	2	30	6	12	184	3	4	66	6	11	183
	17	20	268	21	40	588	28	42	492	25	42	613
Total Mounted			305				Total Mounted		562	Increase		257
Total Foot			649				Total Foot		680	,,		31
			954						1,242			288

Distribution.

Northern District.

	Mounted.	Sergeant.	Corporal.	Constables.
Metullah		2	3	30
Roshpina		2	3	30
Samakh		2	3	30
Jisr Mejamieh		—	1	4
Safad		1	1	16
Tiberias		1	1	13
Nazareth		1	2	12
Haifa		2	1	15
Acre		1	1	23
Zichron		—	1	9
Beisan		1	0	19
Jiflik		—	1	10
Jenin		—	1	15
Tulkarem		—	2	18
Nablus		3	1	29
		16	22	273

Southern District.

	Mounted.	Sergeant.	Corporal.	Constables.
Jaffa		1	0	9
Ramleh		1	1	15
Petah Tikvah		—	2	12
Majdal		1	1	13
Gaza		1	2	14
Khan Yunis		—	1	6
Wadi Baha		—	1	4
Beersheba		2	3	30
Imara		—	1	8
Tel el Milh		1	1	8
Aslug		1	1	8
Hebron		1	2	26
		9	16	153

Jerusalem District.

	Mounted.	Sergeant.	Corporal.	Constables.
Jerusalem		1	0	17
Enab		—	1	7
Ramallah		1	0	9
Bethlehem		—	1	8
Jericho		1	2	25
		3	4	66

Palestine Estimates, 1925–1926.

Details of Expenditure.	*Approved Estimates, 1924–1925.*	*Estimates, 1925–1926.*	*Increase.*	*Decrease.*	*Remarks.*
XVII.—Police and Prisons.					
Police.	£E.	£E.	£E.	£E.	
A. Personal Emoluments.					
1. Commandant	1,100	1,200	100		1. Change in nomenclature—formerly Inspector-General.
2. Expatriation Allowance at £E.100 p.a.	100	100			
3. 1 Deputy Commandant £E.800–50–1,100.	1,050	1,050			3. Change in nomenclature—formerly Dep. Insp.-General.
4. Expatriation Allowance	100	100			
5. Deputy Superintendent (Adm.) £E.550–25–750.	646	646			5. Change in nomenclature—formerly Asst. Insp.-General.
6. Expatriation Allowance at £E.50.	50	50			
7. 1 Superintendent, C.I. Branch, £E.550–25–750.	575	575			7. Change in nomenclature—formerly Asst. Insp.-General.
8. Expatriation Allowance	50	50			
9. 1 British Veterinary Officer, £E.550–25–750.		550	550		9. Additional.
10. Expatriation Allowance at £E.50 p.a.		50	50		
11. 1 Quartermaster	400	400			
12. Expatriation Allowance	50	50			
Carried Forward £E.	4,121	4,821	700		

	Details of Expenditure.	Approved Estimates, 1924–1925.	Estimates, 1925–1926.	Increase.	Decrease.	Remarks.
XVII.—Police and Prisons—*continued.*						
	Police—*continued.*					
A. Personal Emoluments—continued.		£E.	£E.	£E.	£E.	
	Brought Forward - £E.	4,121	4,821	700		
13.	1 Paymaster - - - -		400	400		13. Additional.
14.	Expatriation Allowance - -		50	50		
15.	3 Assistants C.I. Branch, £E.300–20–400.	1,098	1,098			15. *See* item 34, 1925–26 Estimates.
16.	1 Bandmaster, £E.300–20–400 -	360	360			
17.	1 Armourer (British Inspector), £E.312–12–360.		312	312		17. Additional.
18.	Expatriation Allowance at £E.40 p.a.		40	40		
19.	5 Clerks, Grade I., £E.312–12–360.	1,760	1,760			
20.	Expatriation Allowance - -	200	200			
21.	9 Clerks, Grade II., £E.252–12–300.	2,625	2,625			
22.	11 Clerks, Grade III., £E.192–6–240.	2,296	2,296			
23.	19 Clerks, Grade IV., £E.144–6–180.	3,166	3,166			
24.	14 Clerks Grade V., £E.96–6–132.	1,779	1,779			
25.	2 Clerks, Grade VI., £E.60–6–84	144	144			
26.	2 Translators, Grade III., £E.192–6–240.	478	478			26. *See* item 35 1925–26 Estimates
27.	1 Finger Print Expert, Grade III., £E.192–6–240.	221	221			27. ,, 36 ,,
28.	1 Finger Print Expert, Grade IV., £E.144–6–180.	180	180			28. ,, 37 ,,
29.	3 District Superintendents, £E.800–50–1,000.	3,000	3,000			29. Change in nomenclature —formerly Dist. Commandant.
30.	Expatriation Allowance at £E.50 p.a.	150	150			
31.	3 Deputy Superintendents, £E.550–25–750.	1,889				31. Change in nomenclature —formerly Dep. Dist. Commandant.
32.	6 Deputy Superintendents, £E.550–25–750.		3,575	1,686		32. 3 Additional.
33.	Expatriation Allowance at £E.50 p.a.	150	300	150		
34.	6 Assistant Superintendents, £E.400–25–500.	2,490				
35.	11 Assistant Superintendents, £E.400–25–500.		4,590	2,100		35. 5 Additional.
36.	Expatriation Allowance at £E.50 p.a.	250	500	250		
37.	Personal Allowance at £E.50 p.a.	50	50			
38.	6 Assistant Superintendents, £E.300–20–400.	1,988				
39.	10 Assistant Superintendents, £E.300–20–400.		3,188	1,200		39. 4 Additional.
40.	6 Inspectors (British), £E.252–12–300.	1,800				
41.	12 Inspectors (British), £E.312–12–360.		3,744	1,944		41. 6 Additional.
42.	Expatriation Allowance at £E.40 p.a.		480	480		
43.	9 Inspectors, Grade I., at £E.264 p.a.	2,376	2,376			
44.	13 Inspectors, Grade II., at £E.216 p.a.	2,808				
45.	20 Inspectors, Grade II., at £E.216 p.a.		4,320	1,512		45. 7 Additional.
46.	20 Inspectors, Grade III., at £E.168 p.a.	3,360				
47.	29 Inspectors, Grade III., at £E.168 p.a.		4,872	1,512		47. 9 Additional.
	Carried Forward - £E.	38,739	51,075	12,336		

	Details of Expenditure.	Approved Estimates, 1924–1925.	Estimates, 1925–1926.	Increase.	Decrease.	Remarks.
XVII.—Police and Prisons—*continued.*						
	Police—*continued.*					
A. Personal Emoluments—continued.		£E.	£E.	£E.	£E.	
	Brought Forward - £E.	38,739	51,075	12,336		
	Mounted Police.					
48.	17 Sergeants at £E.10 p.m. -	2,040				
49.	28 Sergeants at £E.10 p.m. -		3,360	1,320		49. 11 Additional.
50.	20 Corporals at £E.8 p.m. -	1,920				
51.	42 Corporals at £E.8 p.m. -		4,032	2,112		51. 22 Additional.
52.	268 Constables at £E.6 p.m. -	19,296				
53.	492 Constables at £E.6 p.m. -		35,424	16,128		53. 224 Additional.
	Foot Police.					
54.	21 Sergeants at £E.10 p.m. -	2,520				
55.	25 Sergeants at £E.10 p.m. -		3,000	480		55. 4 Additional.
56.	40 Corporals at £E.8 p.m. - -	3,840				
57.	42 ,, at £E.8 p.m. - -		4,032	192		57. 2 Additional.
58.	588 Constables at £E.6 p.m. -	42,336				
59.	613 ,, at £E.6 p.m. -		44,136	1,800		59. 25 Additional.
60.	1 Saddler at £E.10 p.m. - -	120				
61.	1 ,, at £E.15 p.m. - -		180	60		
62.	2 Messengers at £E.3 p.m. - -	72	72			
63.	Proficiency Pay - - - -	4,100	5,000	900		
64.	Good Conduct Pay - - -	3,000	3,500	500		
	Total—Police Personal Emoluments	117,983	153,811	35,828		
	Personal Emoluments.					
	Officers seconded to Arab Legion—Trans-Jordan.					
65.	1 Commandant, £E.800–50–1,100	900	900			Lt.-Col. F. G. Peake.
66.	Expatriation Allowance, £E.100 p.a.	100	100			
67.	1 Assistant Commandant, £E.550–25–750.	640	640			Flight.-Lieut. Stafford.
68.	Expatriation Allowance at £E.50 p.a.	50	50			
		1,690	1,690			
	Police Training School and Depôt. Personal Emoluments.					
69.	1 Officer Commanding, £E.550–25–750.	669				
70.	1 Officer Commanding, £E.800–50–1,000.		900	231		
71.	Expatriation Allowance at £E.50	50	50			
72.	Instructional Officer, £E.300–20–400.	369	369			
73.	2 Inspectors (British), £E.312–12–360.		624	624		Physical Training Instructors —Additional.
74.	Expatriation Allowance at £E.40 p.a.		80	80		
75.	1 Inspector Grade I., £E.264 -		264	264		Additional.
76.	4 Sergeants (1 Mtd.) at £E.10 p.m.		480	480		,,
77.	2 Corporals at £E.8 p.m. -		192	192		,,
78.	4 Constables at £E.6 p.m. -		288	288		,,
79.	50 Recruits at £E.5 p.m. -		3,000	3,000		,,
	Total—Personal Emoluments	1,088	6,247	5,159		
	Preventive Police.					
80.	1 Asst. Superintendent—£E.300–20–400.	310	310			
81.	12 Constables at £E.6 p.m. -	864	864			
	Total—Personal Emoluments -	1,174	1,174			

	Details of Expenditure.	Approved Estimates, 1924–1925.	Estimates, 1925–1926.	Increase.	Decrease.	Remarks.
		£E.	£E.	£E.	£E.	
	XVII.—Police and Prisons—*cont.*					
	Police—*continued.*					
	A. Personal Emoluments—continued.					
	British Police.					
82.	1 Deputy Superintendent, £E.550–25–750.		600	600		
83.	Expatriation Allowance, £E.50 p.a.		50	50		
84.	4 Asst. Superintendents, £E.400–25–500.		1,800	1,800		
85.	Expatriation Allowance at £E.50 p.a.		200	200		
86	1 Head Constable at £E.216 p.a.		216	216		
87.	1 Quartermaster Sergeant at £E.204 p.a.		204	204		
88.	8 Sergeants, £E.180 p.a. -		1,440	1,440		
89.	10 Corporals at £E.156 p.a. -		1,560	1,560		
90.	170 Constables at £E.132 p.a. -		22,440	22,440		
	Motor Transport.					
91.	1 Sergeant at £E.180 p.a. -		180	180		
92.	16 Driver Constables at £E.132 p.a.		2,112	2,112		
93.	5 Mechanics, £E.132 p.a. -		660	660		
94.	Extra Duty Pay £E.1.500 p.m. per man.		400	400		
95.	Separation Allowance at £E.52 p.a.		1,680	1,680		
	Casual Labour.					
96.	6 Cooks at £E.4.500 p.m. -		324	324		
97.	4 Kitchen boys at £E.2 p.m. -		96	96		
98.	Casual Labour (Sanitation) -		200	200		
			34,162	34,162		
	Total Personal Emoluments.					
	Police, Training School, Preventive Force and British Police.	121,935	197,084	75,149		
	Other Charges.					
	Police, Training School, Preventive Force and British Police.					
99.	Uniform Allowances - - -	40	280	240		Allowances for additional officers.
100.	Uniforms and Clothing - -	13,800	16,000	2,200		
101.	Arms, Equipment, Ammunition	2,000	2,500	500		
102.	Harness and Saddlery - -	1,000	2,000	1,000		
103.	Tentage and Camp Equipment	250	500	250		
104.	Miscellaneous Stores - -	900	1,500	600		
105.	Transport and Travelling - -	3,000	4,000	1,000		
106.	Criminal Investigation - -	1,500	1,500			
107.	Forage Allowances - - -	12,000	24,000	12,000		
108.	Horse Allowances - - -	2,300	4,000	1,700		
109.	Compensation for Loss of Animals.	600	800	200		
110.	Barrack Furniture - - -		600	600		
111.	Rations - - - - -		6,500	6,500		
112.	Lighting and Heating - -	1,300	1,500	200		
113.	Photographic and F.P. Materials	275	500	225		
114.	Typewriters - - - -	100	100			
115.	Upkeep of Mechanical Transport.		3,000	3,000		
116.	Passages - - - - -		2,000	2,000		
117.	Medico Legal Fees - - -		180	180		
118.	Conservancy - - - -		260	260		
119.	Contingencies - - - -	100	250	150		
	Carried Forward - £E.	39,165	71,970	32,805		

	Details of Expenditure.	Approved Estimates, 1924–1925.	Estimates, 1925–1926.	Increase.	Decrease.	Remarks.
	XVII.—Police and Prisons—*cont.*	£E.	£E.	£E.	£E.	
	Police—*continued.*					
	Brought Forward - £E.	39,165	71,970	32,805		
	Special Expenditure.					
120.	Purchase of S.M.L.E. Rifles -	2,540	2,540			120. For the purchase of 500 Rifles.
121.	,, Transport Mules -	300	300			121. To replace.
122.	,, Transport Carts -	50	100	50		122. To replace unserviceable carts.
123.	,, Riding Horses -		360	360		
	Total Other Charges -	42,055	75,270	33,215		
	Grand Total.					
	Police, Training School, Preventive Force and British Police.	163,990	272,354	108,364		
	Prisons and Lock-ups.					
	A. Personal Emoluments.					
124.	2 Prison Superintendents, £E.300–20–400.	759				
125.	2 Prison Superintendents, £E.400–25–500.		800	41		
126.	Expatriation Allowance at £E.50 p.a.		100	100		
127.	Duty Allowance at £E.100 p.a.	200			200	
128.	2 Asst. Prison Superintendents at £E.252–12–300.	504				
129.	2 Asst. Prison Superintendents at £E.312–12–360.		624	120		
130.	Expatriation Allowance at £E.40 p.a.		80	80		
131.	2 Clerks Grade IV. £E.144–6–180.		288	288		
132.	2 Clerks Grade V. £E.96–6–132	200	200			
133.	3 Jailers Grade I. £E.264 p.a.	792				
134.	2 Jailers Grade I., £E.264 p.a.		528		264	
135.	1 Jailer Grade II., £E.216 p.a. -	216			216	
136.	2 Jailers Grade III., £E.168 p.a.	336	336			
137.	2 Sergeant Warders at £E.10 p.m.	240				
138.	4 Sergeant Warders at £E.10 p.m.		480	240		2 Additional.
139.	9 Corporal Warders at £E.8 p.m.	864				
140.	10 ,, ,, ,, ,,		960	96		1 Additional.
41.	86 Warders at £E.6 p.m. - -	6,192				
142.	104 Warders at £E.6 p.m. -		7,488	1,296		18 Additional.
143.	6 Wardresses at £E.5 p.m. -	360	360			
144.	1 Instructor Carpenter at £E.15 p.m.	180	180			
145.	1 Instructor Tailor at £E.15 p.m.	180	180			
146.	2 Instructor Bootmakers at £E.8 p.m.	192				
147.	2 Instructor Bootmakers at £E.10 p.m.		240	48		
148.	1 Instructor Weaver at £E.8 p.m.	96				
149.	1 Instructor Weaver at £E.10 p.m.		120	24		
	Jail Labour Companies.					
150.	2 Prison Superintendents at £E.360 p.a.	720				
151.	2 Prison Superintendents at £E.300–20–400.		720			
	Carried Forward - £E.	12,031	13,684	2,333	680	

	Details of Expenditure.	Approved Estimates, 1924–1925.	Estimates, 1925–1926.	Increase.	Decrease.	Remarks.
	XVII.—Police and Prisons—*cont.*	£E.	£E.	£E.	£E.	
	Prisons and Lock-ups—*continued*					
	Jail Labour Companies—continued.					
	A. Personal Emoluments—continued.					
	Brought Forward - £E.	12,031	13,684	2,333	680	
152.	1 Jailer Grade II., at £E.216 -	216				
153.	2 Jailers Grade II., at £E.216 -		432	216		
154.	1 Jailer Grade III., at £E.168 -	168			168	
155.	2 Sergeant Warders at £E.10 p.m.	240				
156.	4 Sergeant Warders at £E.10 p.m.		480	240		2 Additional.
157.	4 Corporal Warders at £E.8 p.m.	384	384			
158.	48 Warders at £E.6 p.m. - -	3,456				
159.	56 Warders at £E.6 p.m. - -		4,032	576		8 Additional.
160.	Proficiency Pay - - -	500	500			
161.	Good Conduct Pay - - -	200	200			
	Reformatory.					
162.	1 Superintendent, £E.252-12-300		252	252		
163.	1 Assistant Superintendent. £E.192–6–240.		192	192		
	Total Personal Emoluments -	17,195	20,156	3,809	848	
	B. Other Charges.					
164.	Uniforms and Clothing - -	1,700	1,700			
165.	Arms, Equipment and Ammunition.	200	200			
166.	Miscellaneous Stores - -	1,550	1,000		550	
167.	Prisoners' Clothing - - -	6,350	4,000		2,350	
168.	Prison Rations - - - -	12,000	13,000	1,000		
169.	Travelling and Transport - -	300	300			
170.	Forage Allowances - - -	500	400		100	
171.	Horse Allowances - - -	100	50		50	
172.	Typewriters - - - -	30	30			
173.	Lighting and Heating - -	2,000	1,200		800	
174.	Materials for Workshops - -	400	200		200	
175.	Gratuities to prisoners on release	40	40			
176.	Tentage and Camp Equipment -	100	100			
177.	Contingencies - - - -	50	50			
	Total Other Charges - -	25,320	22,270	1,000	4,050	
	Total Prisons - - -	42,515	42,426	4,809	4,898	
	Summary.					
	Personal Emoluments.					
	Police - - - - - -	117,983	153,811	35,828		
	Officers seconded to Arab Legion, Trans-Jordan - - - - -	1,690	1,690			
	Police Training School Depôt - -	1,088	6,247	5,159		
	Preventive Police - - - -	1,174	1,174			
	British Police - - - - -		34,162	34,162		
	Total Personal Emoluments, Police.	121,935	197,084	75,149		
	Total Other Charges, Police -	42,055	75,270	33,215		
	Total Police - -	163,990	272,354	108,364		
	Total Prisons - -	42,515	42,426	4,809	4,898	
	Grand Total, Police and Prisons.	206,505	314,780	113,173	4,898	

Appendix "B."

Terms of Service for British Gendarmerie transferring to the Police.

1. *Period of Engagement.*

Two years' contract subject to renewal for a further period of three years. Renewal will only be effected if the Government desires to retain the services of the man and if he is willing to serve.

2. *Pay.*

Head Constable - - - - - - -	£E.18 a month.
Quartermaster Sergeant - - - - - -	£E.17 ,,
Sergeants - - - - - - - -	£E.15 ,,
Corporals - - - - - - - -	£E.13 ,,
Constables - - - - - - - -	£E.11 ,,

Extra duty pay of Pst.150 per month to motor drivers and mechanics. Separation allowance up to 15 per cent. of the Force at £E.52 per annum if married.

3. *Rations.*

These to be based on Army Scale and free issue made, or a variable ration allowance in lieu thereof.

4. *Clothing.*

Free issues in accordance with Dress Regulations in force.

5. *Accommodation.*

Free Barrack accommodation, Fuel and Light and Water will be provided for all men. In the case of married men who are on the married establishment—

(*a*) if their wives and families are not in Palestine, they will draw separation allowance as stated above;

(*b*) if they are permitted to bring their wives and families to Palestine, they will cease to draw separation allowance, but will be provided with free accommodation for themselves and their wives and families and a fuel and light allowance.

(*c*) For the present accommodation for wives and families is limited. Men transferring must not bring their wives or families to Palestine without prior sanction of the Commandant of Police.

6. *Hospitalisation.*

Free medical and dental treatment will be provided in accordance with local Regulations. This treatment will be extended to families against repayment.

7. *Leave.*

Vacation Leave may be granted at the rate of one month per year, to be spent out of Palestine or adjacent countries.

Local Leave up to fifteen days in any one year may be granted at the discretion of the Commandant of Police, to be spent in Palestine or adjacent countries, *i.e.*, Egypt, Syria or Trans-Jordan.

Local Leave will not count against Vacation Leave.

Vacation Leave will not be granted to men who have not completed two years' continuous service in the Palestine Police Force, except in exceptional circumstances.

All leave is subject to the exigencies of the service and in no case will vacation leave exceed the maximum period of three months.

8. *Free Passages.*

Free second-class passages from Palestine to the United Kingdom for men and families (if any) will be granted—

(*a*) On completion of Contract.
(*b*) In case of medical unfitness, if recommended by a Medical Board
(*c*) In case of discharge from the Force on any other ground.

9. *Passages for Families.*

In the event of a man obtaining permission for his wife and family to come to Palestine during the time that he himself is in the country, free second-class passages from the United Kingdom to Palestine will be granted, and passages so arranged which are not accepted will be forfeited.

10. *Passages when proceeding on Vacation Leave and on renewal of Contract.*

In the event of a man being granted Vacation Leave and the Government wishing to retain his services and subject to his giving an undertaking that he will return to Palestine for further service in the Palestine Police, and provided that he will defray the cost of passages for himself and wife and family (if any) from Palestine to the United Kingdom, he will be re-engaged and on the expiration of his Vacation Leave, free second-class passages from the United Kingdom to Palestine will be provided for himself and for his wife and family.

11. *Gratuities.*

Men transferring from the British Gendarmerie to the Police will become eligible for gratuities in accordance with the Police Pensions Ordinance and Regulations of the Palestine Government (not yet promulgated). Service in the British Gendarmerie will count for gratuity under this Ordinance.

Provided that the transfer takes place direct without any break of service or without payment of gratuity from the British Gendarmerie.

Any gratuity already earned by virtue of service with the British Gendarmerie, will be payable at the end of service under the Palestine Government, in addition to any gratuity which the man may subsequently become entitled to under the proposed new Palestine Government legislation.

Any man entitled to a pension from the Royal Irish Constabulary will draw it as soon as he ceases to be paid from Imperial funds.

12. *Discipline and Administration.*

Men transferring from the British Gendarmerie to the Police will be subject to the provisions of the Police Ordinance. For purposes of administration and discipline they will serve under British Officers.

NOTE BY TREASURER.

With reference to Clause 11 of the Terms of Service, in which it is proposed that the gratuities earned in respect of service in the Palestine Gendarmerie (British Section) should be paid on the termination of service in the Palestine Police, I consider it in the interests of the men themselves that the payment of these gratuities should be postponed until the final termination of their service, in order that they may have in their possession some means to assist them pending their obtaining other employment; and, moreover, it would not be in the best interests of the Force to pay these gratuities on termination of service with the British Gendarmerie. The payment of these gratuities is an obligation in respect of which, under the present arrangements, the Government of Palestine is entitled to be reimbursed by the Imperial Government; and, in the circumstances, I would ask that an undertaking be given to refund to the Palestine Government from Imperial funds all such gratuities as and when paid.

29.10.25.

Appendix "C."

Secret.

From the Air Officer Commanding in Palestine to the Chief Secretary, Government of Palestine, Jerusalem.

Command Headquarters,
Palestine,
Bir Salem. 14.10.1925.

SIR,

WITH reference to my interview with His Excellency the High Commissioner on 13th October, I have the honour to submit herewith notes on the steps which it will be necessary to take, to enable progress in the re-organisation to take place, during this financial year.

I have, etc.,
M. GERRARD,
Air Commodore
Commanding in Palestine.

NOTES ON THE STEPS WHICH IT IS NECESSARY TO TAKE, TO ENABLE PROGRESS IN THE RE-ORGANISATION TO TAKE PLACE, DURING THE CURRENT FINANCIAL YEAR.

I. *Cash Credits for Current Year.*

A. After the Inspector-General, Police and Prisons, has taken his quota of men from the Palestine Gendarmerie for the Police (and with them a proportion of this year's financial allotment for the Palestine Gendarmerie), it is necessary for financial provision to be made for the payment and maintenance of the remainder of the Force handed over to me.

Presumably this will be effected by handing over the balance of the financial provision already made for the Palestine Gendarmerie.

Further, it is necessary to provide funds for payment of newly enlisted men (up to 100), whom it is proposed to recruit during the winter months. The cost of the latter may be taken as approximately £6,000 - - - - - - - - - - - - £6,000

B. In order that horses may be purchased, as opportunity offers, during the winter months, it will be necessary to provide an advance, to be accounted for in the form of an Imprest Account, the advance necessary under this heading being approximately £3,000 - - - - - £3,000

C. It is very necessary that the services of a Medical Officer (for examining recruits, making provision and preliminary arrangements for hospital, sick quarters, and equipment therefor) should be made available as soon as possible.

A Veterinary Officer (for the inspection of horses which it is desired to purchase during the winter), and an Accounting Officer, for accounting duties, are also essential.

The Accounting Officer will have to frame a system of accounting, and it is most necessary that he should be with the Force from its commencement, in order that such system as is adopted will be in working order next year.

It is necessary to provide funds for the pay and allowance of these Officers. This figure may be taken as approximately - - - - - - - - - - £900

D. Men will have to be trained as Hotchkiss Gunners, and it is therefore necessary to purchase our requirements in this weapon. The approximate cost of 24 guns is - - - - £4,000

E. To admit of the provision of Barracks, Hospital, and Sick Quarters at Amman and Ma'an, it is most necessary that work should be commenced as early as possible during this financial year.

It is estimated that, provided approval is received by 1st December, 1925, it will be possible to carry out work on these services to the value of £10,000 before the end of the current financial year. - - - - - - £23,900

Total immediate cash credit required for this financial year
to which must be added a proportion of the existing Palestine Gendarmerie Budget.

II. *Items of Initial Expenditure to be debited against Next Year's Budget, for which Credit is required this Year.*

A. It is necessary to submit indents *now*, to the Crown Agents, for clothing, equipment, stores, etc., which will be required next spring, and the Crown Agents will require a guarantee that funds will be available to meet the cost of providing these requirements.

Until accurate lists of equipment and stores which will become available from stocks now held by the British and Palestine Gendarmerie are received, it is difficult to submit a firm estimate of the actual credit required to cover the cost of the items which it will be necessary to order.

As, however, it is known that it will be necessary to provide initial issues of clothing, equipment, etc., for an additional 400 men, and also the cost of maintenance of the remainder of the Force next year, financial credit of not less than £18,000 will be required.

B. It is difficult at this stage to quote a firm figure as the total required for Works Services for the new Force, but as a rough guide to the amount of money required under this heading, it may be taken as £45,000, of which it is proposed to spend £10,000 this financial year.

C. It will be necessary to order an initial supply of Medical and Veterinary Appliances and Drugs, so that they may be available next spring. The approximate amount for which credit under this heading will be required is £2,000.

D. To purchase Pack Wireless/Telegraph Sets we shall require approximately £2,000.

E. To purchase Transport Vehicles and Animals we require approximately £500.

Total credit required under heading II - - - - - - - - - £67,500

III. *British Officers and Other Ranks for the New Force.*

In order to ensure the presence, next spring, of the nine British Company Officers required to complete establishment, it is necessary that the War Office should be approached at an early date, with a view to calling for Officers (and Other Ranks) volunteering for secondment.

In this connection, I attach a memorandum* setting forth the conditions of service which it is proposed to offer.

With regard to any comment on the number of British Officers included in the establishment of Headquarters of the proposed new Force, I wish to represent that in my opinion the number is not excessive, when consideration is given to the fact that this Unit will be, as far as possible, self-contained, as regards its administrative services.

I attach, as Appendix (*b*), a comparative statement of the number of British Officers, compared to strength of Other Ranks of—

(*a*) A British Cavalry Regiment,
(*b*) An Indian Cavalry Regiment, and
(*c*) The proposed New Force.

from which it will be seen that the proportion suggested is lower in the new Force than in either of the other establishments quoted.

As regards the necessity of including a trained Quartermaster in the establishment, I consider this is very necessary, for the following reasons :—

(*a*) The institution of a new accounting procedure, and initial equipping and housing of the Force, make it essential that an Officer of experience in these matters should be employed for these purposes.

(*b*) It is unlikely that the right type of Regular Officer will volunteer for secondment for a period of five years, with the chance that he may possibly be employed during the major part of his secondment on Quartermaster's duties.

In this connection, during my recent visit to 'Iraq this summer, when I had the opportunity of visiting Units of the 'Iraq Levies one of the chief points which struck me was the unsatisfactory position caused by the lack of experienced Officers for Quartermaster's duties in these Units.

APPENDIX (A).

Conditions of Service.

Proposed Palestine and Trans-Jordan Frontier Force.

1. The Force will be Officered by British Officers, seconded in the Army or Royal Air Force for a period of five years, *vide* Articles 190 (*h*) and 196 Royal Warrant for Pay.

2. British Staff Sergeants and Sergeants required to complete establishment, will be attached from the Regular Army, for a period of years.

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* Appendix (A).

Pay and Allowances.

Officers.

Pay.

	Per diem. s.	d.
Lieutenant-Colonel	44	10
Major	29	10
Major (after five years service as such)	35	0
Captain	22	2
Captain (after 15 years' commissioned service)	24	5
Lieutenant	15	2
Lieutenant (after 7 years' commissioned service)	18	0

Corps Pay.

On joining	4	6
On passing a language test	7	0

Additional Pay.

Command Pay (Commandant)	10	0
Second in Command	1	0
Adjutant	5	0
Quartermaster	2	0

Allowances.

—	Lodging.		Fuel and Light.		Furniture.
	Home.	Palestine.	Summer.	Winter.	
	s. d.	s. d.	s. d.	s. d.	s. d.
Lieutenant-Colonel to Captain	4 6	6 9	1 11	3 11	2 0
Lieutenant	3 6	5 0	1 0	1 10	2 0

—	Servant.	Colonial.
	s. d.	s. d.
All ranks Lieutenant-Colonel to Lieutenant	2 0	3 0

Rates of Pay.

British Warrant Officers (Staff Sergeants) and Sergeants Proposed Palestine and Trans-Jordan Frontier Force.

A.—*Staff Sergeants.*

	£E.
Per annum	252
Rising by increments of £E.12 per annum to	300

Plus a variable cost-of-living allowance, which is at present £E. 21.600 millièmes per annum.
Free single accommodation provided, but no rations.

B.—*British Sergeants.*

	£E.
Per annum	222
Rising by increments of £E.6 per annum to	252

Plus a variable cost-of-living allowance, which is at present £E.19.600 millièmes per annum.
Free single accommodation provided, but no rations.

Service in both cases to count for Pension.

APPENDIX (B).

Comparative Table of the Establishments of a British Cavalry Regiment, an Indian Cavalry Regiment, and the Proposed New Force.

Composition.	British Cavalry Regiment.		Indian Cavalry Regiment.			Proposed New Force.		
	British Officers.	Other Ranks.	British Officers.	Native Officers.	Other Ranks.	British Officers.	Native Officers.	Other Ranks.
Headquarters and 3 Companies.	27	442	—	—	—	—	—	—
Headquarter Officers	5	—	—	—	—	—	—	—
Strength of Company	6	101	—	—	—	—	—	—
Strength of a Troop	1	25	—	—	—	—	—	—
Headquarters and 3 Companies.	—	—	13	17	476	—	—	—
Headquarter Officers	—	—	3	1	—	—	—	—
Strength of Company	—	—	3	4	110	—	—	—
Strength of Wing of two Troops.	—	—	1	2	55	—	—	—
Headquarters and 4½ Companies.	—	—	—	—	—	18*	19†	726
Headquarter Officers	—	—	—	—	—	5	1	—
Strength of Squadron	—	—	—	—	—	3	4	156
Strength of Wing 2/Troops	—	—	—	—	—	1	2	78
Strength of a Troop	—	—	—	—	—	—	1	38

* Excludes 3 non-combatant Officers, not borne on the strength of a British or Indian Unit.
† Excludes Medical Officer not borne on the strength of a British or Indian Unit.

ESTIMATES—1925–1926.

PALESTINE AND TRANS-JORDAN FRONTIER FORCE.

RECURRING EXPENDITURE.

Item.	*Appointment.*	*Rate.* £E.	*Rate.* mms.	*Amount.* £E.	*Amount.* mms.
	I. PERSONAL EMOLUMENTS. *A. Pay.*				
1	Commandant	797	753	797	753
2	Commandant's Allowances	177	837	177	837
3	2nd in Command	571	965	571	965
4	2nd in Command's Allowances	17	793	17	793
5	Adjutant	486	362	486	362
6	Adjutant's allowances	87	993	87	993
7	4 Company Commanders	530	847	2,330	978
		572	365		
8	Quartermaster	486	362	486	362
9	Quartermaster's Allowances	35	587	35	587
10	Signal Officer	486	362	486	362
11	9 Squadron Officers	486	362	4,377	258
12	British Medical Officer	486	362	486	362
13	British Veterinary Officer	486	362	486	362
14	British Accountant Officer	486	362	486	362
15	1 Arab Officer, Grade I.	350	000	350	000
16	1 Arab Medical Officer, Grade I.	350	000	350	000
17	6 Arab Officers, Grade II.	264	000	1,584	000
18	12 Arab Officers, Grade III.	216	000	2,592	000
19	13 British Staff Sergeants	321	600	4,180	800
20	2 British Sergeants	271	600	543	200
21	4 Civilian Clerks, Grade III.	230	600	922	400
22	22 Arab Sergeants	120	000	2,640	000

Item.	Appointment.	Rate. £E.	Rate. mms.	Amount. £E.	Amount. mms.
	I. Personal Emoluments—*continued.*				
	A. Pay—continued.				
23	30 Arab Corporals	96	000	2,880	000
24	671 Arab Troopers	72	000	48,312	000
25	14 Sanitary Men	54	000	756	000
	B. Allowances.				
26	Corps Allowance	80	071	1,681	284
27	Lodging Allowance	120	107	2,522	247
28	Fuel and Light Allowance	51	896	1,089	858
29	Furniture Allowance	35	587	747	327
30	Servant Allowance	35	587	747	327
31	Colonial Allowance	53	381	1,121	001
32	Proficiency Pay	15	000	3,045	000
33	Artificer's Pay	15	000	375	000
34	Good Conduct Pay	3	600	1,483	200
	Total Personal Emoluments	—	—	89,237	980

Item.	Appointment.	Amount. £E.	Amount. mms.
	II. Other Charges.		
35	Uniforms and Clothing	6,600	000
36	Arms and Equipment	1,080	000
37	Ammunition	1,350	000
38	Camp Equipment	675	000
39	Miscellaneous Stores	675	000
40	Transport and Travelling	8,000	000
41	Forage Allowance	24,000	000
42	Compensation for loss of animals	1,620	000
43	Lighting and heating	2,025	000
44	Hospitalization	270	000
45	Medical Drugs and Dressings	675	000
46	Veterinary Drugs and Dressings	1,012	500
47	Typewriters	40	000
48	Harness and Saddlery	2,700	000
49	Horse Allowances	4,320	000
50	Water Supply	270	000
51	Contingencies	202	500
52	Maintenance of Barrack Furniture	135	000
	Total Other Charges	57,650	000
	Maintenance of Buildings — £E.5,000	—	—
	Rentals — 250	—	—
	£E.5,250	5,250	000
	Grand Total	152,137	980

Summary.

Personal Emoluments	89,237.980
Other Charges	57,650.000
Maintenance of Buildings and Rentals	5,250.000
	£E.152,137.980

Establishment of an Irregular Mounted Unit of Headquarters, 4 Companies, No. 2 Hotchkiss Gun Troops.

—	British Officers. Lt.-Col.	Majors.	Capts.	Medical Officer.	Vet. Officer.	Asst. Officer.	Total.	British Other Ranks. Staff Sgts.	Sgts.	Total.	Arab Officers. Gr. I.	Gr. II.	Gr. III.	Med. Off., Gr. I.	Total.	Arab Other Ranks. Sgts.	Cpls.	Privates.	Total.
Headquarters	1	1	3	1	1	1	8	4	2	6	1	—	—	1	2	4	3	28	35
No. 1 Company	—	1	2	—	—	—	3	2	—	2	—	1	3	—	4	4	6	143	153
No. 2 Company	—	1	2	—	—	—	3	2	—	2	—	1	3	—	4	4	6	143	153
No. 3 Company	—	1	2	—	—	—	3	2	—	2	—	1	3	—	4	4	6	143	153
No. 4 Company	—	1	2	—	—	—	3	2	—	2	—	2	2	—	4	4	6	143	153
No. 2 Hotchkiss Gun Troops	—	—	1	—	—	—	1	1	—	1	—	1	1	—	2	2	3	71	76
Total	1	5	12	1	1	1	21	13	2	15	1	6	12	1	20	22	30	671	723

—	Riding Animals. Horses.	Camels.	Total.	Draught Animals. Mules.	Camels.	Total.	Vehicles. Carts.	Cars.	Total.	Guns. Hotchkiss Automatic guns.	Civilians. —
Headquarters	32	—	32	—	—	—	—	1	1	—	5
No. 1 Company	164	—	164	6	6	12	1	—	1	4	3
No. 2 Company	164	—	164	6	6	12	1	—	1	4	3
No. 3 Company	164	—	164	6	6	12	1	—	1	4	3
No. 4 Company	—	164	164	—	12	12	1	—	1	4	3
No. 2 Hotchkiss Gun Troops	81	—	81	6	3	9	1	—	1	8	1
Total	605	164	769	24	33	57	5	1	6	24	18

51522.

No. 3.

PALESTINE.

The ACTING HIGH COMMISSIONER to the SECRETARY OF STATE.

(*Received* 17*th November*, 1925.)

(*Answered by No.* 4.)

Confidential.

Reference No. Adm. 11/703/S. 5th November, 1925.

Sir,

I have the honour to refer to my Confidential despatch of the 30th of October, 1925,* on the subject of the reorganisation of the public security forces in Palestine and Trans-Jordan.

2. I consider it desirable to have your early approval in principle of the conditions of disbandment to be offered to members of the British Gendarmerie who are not absorbed into the Police, in order that they may be made known simultaneously with the terms of recruitment for the Police.

3. I should invite your attention to the Committee's report† of the terms and conditions of disbandment of the British Gendarmerie, transmitted under cover of Lieutenant-Colonel G. S. Symes' Secret despatch "A" of the 17th July, 1925.‡

* No. 2. † Enclosure 2 in No. 1. ‡ No. 1.

The actuarial calculations made therein are now out of date, and the date of the disbandment of the British Gendarmerie will be decided later; but I have to enquire whether, in the event of the disbandment being effected before individual contracts expire, the proposed conditions are acceptable in their present form, and may be communicated to the Force?

4. The general conditions are recapitulated below:—

(i) Any leave on full pay due to be granted;

(ii) The balance of any period up to the expiration of contract to be paid for at half pay and allowances;

(iii) Gratuity to be paid in full as though the contract had been completed;

(iv) Free passage to the United Kingdom to be provided.

5. Since the recruitment of certain British gendarmes to the Police is to precede the disbandment of the others, it is necessary that the terms of recruitment shall be formulated without delay, and I shall therefore be grateful for the early approval of the draft Police Pensions Ordinance, submitted with Lieutenant-Colonel G. S. Symes' Confidential despatch "B" of the 17th of July, 1925.§

I have, etc.,

G. S. SYMES

For HIGH COMMISSIONER

(Absent on Duty.)

§ 34106/25: not printed.

C. 120.

No. 4.

PALESTINE.

The SECRETARY OF STATE to the HIGH COMMISSIONER.

(*Sent* 9.15 *p.m.*, 18*th January*, 1926.)

TELEGRAM.

(*Answered by No.* 5.)

No. 9. 18th January.

Your despatches, Confidential B of 30th October* and Confidential of 5th November,† Re-organisation of Public Security Forces in Palestine and Trans-Jordan. Whole question has now been discussed with Treasury and Air Ministry. I note that proposals involve additional expenditure from Palestine revenues of some £35,000 and that, whereas previous scheme of re-organisation would have secured a saving of £100,000 to Imperial revenues, 1926–27, no immediate relief to Imperial revenues is now anticipated. On the contrary the recommendation that two flights should be added to Air Force in Palestine would involve increase of some £150,000 for 1926–27 as against saving of £40,000 on account of withdrawal of Cavalry Regiment. In this connection I am telegraphing separate alternative proposal of Air Ministry in regard to additional flights. Financial situation calls for utmost economy as present provisional total of Middle Eastern Services Vote for 1926–27 shows an excess of no less than £80,000 on anticipated expenditure in 1925–26. It has always been recognised that Palestine and Trans-Jordan should ultimately contribute greater part, if not whole, of cost of Imperial units employed for defence and security and I would ask you to consider whether, in view of existing surplus, time has not already arrived for Palestine to bear in 1926–27 some direct share of this expenditure. I attach importance to this, and should be glad to learn at once, in view of forthcoming Estimates now under discussion here, to what extent you consider it feasible. Present re-organisation is favourable occasion for reconsideration and Treasury suggest that, as a start, Palestine should now bear total cost of new regiment and any subsidy required for Trans-Jordan. If this burden is considered excessive, please send figures to show financial outlook and I will approach Treasury for such contribution as you consider essential.

Secondly, it is not clear what will be actual strength of Trans-Jordan Police under your proposals. Existing Force of some 1,200 costs £E114,000, but Chief British Representative's estimate reduces strength to 977 for same cost. May I assume that for £E70,000 police force of approximately 800 will be maintained and that new regiment will not be continually called out in its support for purely police purposes?

Subject to settlement of above points, and explicit recognition of principle that Palestine and Trans-Jordan Governments will either now or ultimately accept liability for total cost of new regiment in proportions to be agreed and embodied in projected Trans-Jordan Agreement, your proposals are approved in principle with the following provisoes:—

(*a*) Administration of new regiment, although under command of Air Officer Commanding, must be controlled by me through you and not by Air Ministry through Air Officer Commanding. I agree to designation The Jordan Regiment, or Palestine and Trans-Jordan Frontier Force, whichever you finally decide on. Conditions of service are under consideration. I suggested in my telegram 362 of 24th December‡ consolidated rates of pay for officers, and await your views. Question of liability to British Income Tax will also arise.

(*b*) Terms of service for transferred British Gendarmes are approved with exception of those relating to separation allowances and families which are reserved for further consideration. Candidates for transfer should be so informed and also told that they will come under the terms of the Police Pensions Ordinance when approved, but that these are still under consideration and will be remodelled probably on some such lines as following: engagement for five-year periods with gratuities to men not re-engaged at end of five, ten,

* No. 2. † No 3. ‡ 50377/25; not printed.

or fifteen years. General Pensions Ordinance with earlier retiring age to apply to men re-engaged beyond fifteen years and men invalided from force. Police officers to be appointed in ordinary way and to come under ordinary Pensions Ordinance.

(*c*) Appendix C is not clear. Sum of £10,000 for Works appears to have been added to totals under both I and II. On assumption that total sum required for initial expenditure does not exceed £E80,000 as stated in paragraph 7 of your despatch of 30th October,* and that amount actually expended from Grant-in-Aid funds this year, including pay and gratuities of disbanded British Gendarmes, does not exceed £212,000, you are authorised, within the limits of the estimates under each head in paragraphs I and II of Appendix C, to expend so much of the sums shown as can conveniently be expended before the 31st March, 1926. I should be glad to be supplied with an estimate of this amount in order that, if Palestine cannot, in your opinion, bear the whole charge, Parliament may be approached to vary the application of the voted provision to some extent. You may perhaps be able to reduce estimated works expenditure of £45,000 by employing regimental labour as was done by Arab legion.

(*d*) General conditions for disbandment of British Gendarmes recapitulated in paragraph 4 of your second despatch are approved except number two. It is not possible to refuse to pay full rate for balance of period up to expiration of contract unless individuals concerned agree to forgo half rate in consideration of earlier return to United Kingdom. Those who insist on remaining in Palestine until period expires must be paid full rates.

Please communicate copy of this telegram to Air Officer Commanding.

AMERY.

C. 3156.

No. 5.

PALESTINE.

The HIGH COMMISSIONER to the SECRETARY OF STATE.

(*Received 8th February*, 1926.)

(*Answered by No.* 6.)

Government Offices,
Jerusalem.
28th January, 1926.

Confidential "B."
(Reference No. 1202/20.)

SIR,

I RETURNED to Jerusalem from casual leave this morning and wish to lose no time in replying to your Confidential telegram of the 18th instant† on the subject of the re-organisation of Public Security Forces in Palestine and Trans-Jordan.

The first part of your telegram which deals with how the expenditure involved is to be defrayed raises an important question of principle which may have serious and far reaching effects, and I propose to reply to it separately in this despatch and leave the other matters, which are subsidiary, to be dealt with later.

The Treasury proposal is that the total cost of the new regiment should be borne from Palestine funds—it evidently being recognised that it is out of the question to expect any contribution from Trans-Jordan.

This may not financially be impossible though it is certainly impracticable, but a more important consideration is that it would be unjust.

As regards Grants-in-aid from Imperial funds Palestine and Trans-Jordan have been linked together, but in accordance with the policy framed by His Majesty's Government, confirmed by a Mandate, they are, as Administrative units, perfectly distinct.

Under the proposals submitted in my Confidential despatches of the 30th of October‡ and 5th of November§, Palestine will be called upon to pay £E314,000 for her Police Forces—which is £E35,000 more than was expended from the revenue last

* No. 2. † No. 4. ‡ No. 2. § No. 3.

year. That will be some 14 per cent. of her revenue and will be considered a very heavy burden; it should, however, under present conditions give to the people the necessary security for themselves and their property. If, in addition to this, they were called upon to pay for the new regiment, the Palestine taxpayers would be paying not for their own security but for the security of Trans-Jordan, and though any disorders in connection with Trans-Jordan, either from within or without, would possibly, and indeed probably, react on Palestine, it is, I respectfully submit, His Majesty's Government and not the Palestine Government who are responsible for the maintenance of order in Trans-Jordan.

It is certainly an accepted policy that both Palestine and Trans-Jordan must in the future be responsible for their own security and must defray from their own revenues the expenditure necessary to ensure this, but while Palestine might do this now it must be some time before Trans-Jordan can, though with a patient pursuance of the present policy of gradual development it should in a few years be self supporting.

The comparatively favourable economic situation in Palestine at present is due to the fact that the majority of the population realise that the policy of the Mandatory Power has conferred considerable benefit upon them and they look with confidence to receiving still greater benefit in the future in view of the improved financial outlook of which they are fully aware.

If, instead of the agrarian reform and agricultural development which they are expecting, they realise that their surplus revenue is to be utilised merely to impose additional burdens on them for so-called "security" purposes their attitude will change very quickly, and we shall probably be faced with discontent which may very easily develop into disorder and involve us in a policy of repression which would effectually check all progress throughout the country. If that happens it will be many years before any reduction in "Security Forces" and the expenditure required for them would be possible. On the other hand, a continuance of an Imperial Grant-in-aid which will admit of a process of gradual development in both countries, though it may seem for the moment to be an unfair burden on the British taxpayer will, I am confident, prove eventually to have been a sound Imperial investment.

I have, &c.,
PLUMER,
F.M.
High Commissioner.

C. 3156.

No. 6.

PALESTINE.

The SECRETARY OF STATE to the HIGH COMMISSIONER.

(*Sent* 6.30 *p.m.*, 16*th February*, 1926.)

TELEGRAM.

(*Answered by No.* 7.)

No. 42. 16th February. Re-organisation of Public Security Forces in Palestine. Arguments put forward in your despatch Confidential B of the 28th January* have been laid before Cabinet. Cabinet appreciate their force but are convinced that you could not sustain them if you realised the gravity of the financial situation in this country. The influence of our enormous burden of taxation here in retarding this country's recovery is very serious and any further increase of the burden might prevent the mainspring of the whole Imperial system recovering its resiliency. That increase has, however, only been avoided in the financial year 1926–27 by the most drastic retrenchments in every department, involving sacrifice of cherished schemes of progress and risks in defence.

In these circumstances Cabinet feel that it is only fair that Palestine, with its substantial and increasing surplus, should relieve the over-burdened British taxpayer of the task of providing for its local defence, at any rate as far as ground troops are concerned; on the figures of the current year they see no reason why you should not

* No. 5.

be in a position to find the whole of the charge for the Jordan Regiment and the Grant-in-Aid for Trans-Jordan as well as the interest charges on the £4,000,000 guaranteed loan to be raised in the spring. It is possible that the figures for the current year represent an abnormal inflation of revenue and that you are budgeting for a drop in the new financial year. Even so I can hardly imagine that you do not expect a considerable surplus and with the loan providing for development work I should have thought that most of this could reasonably be devoted to making Palestine self-dependent in defence.

I note that you lay stress on the fact that Palestine's present payment for security amounts to 14 per cent. of revenue. I would point out that in Treaty arrangements between this country and 'Iraq it is stipulated that not less than 25 per cent. of revenue should be devoted to security and defence while certain of the Eastern Colonies (*e.g.*, Straits Settlements and Hong Kong) are under obligation to defray cost of Imperial Garrison stationed in Colony to an amount not exceeding 20 per cent. of assessable revenue of the Colony.

With regard to the constitutional position with reference to Trans-Jordan it is true that country is a separate entity and in that sense a separate Imperial responsibility. But its peaceful administration and security are primarily a Palestinian interest, and if, in the absence of the Mandate, Trans-Jordan relapsed into chaos the cost of the defence of Palestine would be increased by a much greater amount than the existing Grant-in-Aid plus Trans-Jordan's proportionate share of the cost of the Jordan Regiment. I do not know whether it would ease the situation from your point of view as regards the Grant-in-Aid if you would treat Grant-in-Aid as a loan in aid to Trans-Jordan to be ultimately funded with interest payable out of Trans-Jordan's share of Palestine Customs.

Please furnish me by telegraph as soon as possible with your proposals together with relevant figures and facts of general financial position. I know that the Cabinet would not wish to press you to do anything unreasonable which would seriously check or set back the progress achieved and I will take up the matter again if you can convince me that their demand is really excessive; but on figures available there is clearly case for much larger contribution than you are apparently contemplating. —AMERY.

C. 4342.

No. 7.

PALESTINE.

The HIGH COMMISSIONER to the SECRETARY OF STATE.

(*Received* 23*rd February*, 1926.)

TELEGRAM.

(*Answered by No.* 14.)

No. 52, Confidential. 20th February.

Public Security in Palestine, reference, your telegram No. 42 of 16th February.* Gravity of the situation at home is appreciated by me and I am anxious that Palestine should assist by assuming liability for any expenditure that she should properly bear. It is respectfully submitted, however, that a special policy has been instituted in Palestine by His Majesty's Government, a policy which is unpopular with the majority of the population and under which thousands of Europeans come into the country every year and rightly demand progress on modern lines.

This year payment for public security in Palestine is fourteen per cent. of the gross revenue but is nineteen per cent. of the assessable revenue. In 1926–27 Frontier Force will cost about £E175,000 and the police £E314,000; the total will thus represent thirty-one per cent. of the assessable revenue. I could make no Departmental progress in any direction if Palestine were compelled to assume this total burden as, even if the revenue continued up to this year's standard, after allowing £E100,000 for margin of safety and current balances in 1927–28 Budget, in which full provision for loan charges must be made, there would remain only £E50,000 available for extraordinary expenditure on necessary works.

* No. 6.

On the other hand, Jewish taxpayers demand improved services and will resent being called upon to pay for the Frontier Force, which they will be discouraged from joining since it is required for Trans-Jordan; progress is demanded by the Arabs as the price of political quiet. Government cannot be popular without representative legislature, and unrest can only be prevented by meeting reasonable demands for development.

Nevertheless, I recognise that it is of material interest to Palestine that order be preserved in Trans-Jordan and I will endeavour to make provision in the 1926–27 Budget for the total cost of the Palestine Police and half of the cost of the Frontier Force. I am, however, unable to agree that Palestine taxpayers, who had no part in shaping the policy which was applied to Trans-Jordan at the instance of the Imperial Government in fulfilment of an Imperial pledge, should pay amount of Grant-in-Aid to Trans-Jordan and the whole cost of the Frontier Force. It would, I maintain, be unjust and quite indefensible to compel them to do this. Furthermore, to tie Trans-Jordan to Palestine by way of Grant-in-Aid, which would entail control of Trans-Jordan finances by the Palestine Government, would be inconsistent with our pledge and virtual independence of Trans-Jordan.

It is my earnest hope that in the light of these representations, which are based on a careful review of the financial and political facts, His Majesty's Government will consent to defray half the cost of the Frontier Force and to pay to Trans-Jordan a Grant-in-Aid of £E90,000 next year and £E60,000 for successive three years.

I venture to suggest that if the Air Force Headquarters in Palestine were abolished and Air Force units here and in Trans-Jordan were placed under the administration of the Royal Air Force in Egypt very considerable savings could be effected without loss of efficiency.—PLUMER.

C. 4742.

No. 8.

PALESTINE.

The HIGH COMMISSIONER to the SECRETARY OF STATE.

(*Received* 25*th February*, 1926.)

TELEGRAM.

(*Answered by No.* 13.)

No. 59 of 24th February. Security Forces. Arrangements have been made for the disbandment of both British and Palestine sections of the Gendarmerie by the 31st March next except Head-quarters Cadre of British Section required until after the 30th June. All ranks of the Palestine Section who at 1st (?) April are neither transferred to the Police nor taken on the strength of the Frontier Force will be kept for the unexpired period of contract on Police vote to complete authorised establishment. Arrangements also made to reduce the Arab Legion to 1,200 rank by the 31st March next, and from the 1st April, balance of above 855 authorised civil police in Trans-Jordania will be kept for unexpired period of contract on Frontier Force Vote to complete authorised establishment. These arrangements are made to avoid overlapping.

At present only 39 men of the British Section are willing to transfer to the British police, and, owing to the necessity for maintaining the police establishment during April and May when the country usually politically disturbed by Moslem and Jewish festivals, I am retaining sufficient men of the British Section to complete authorised establishment of British Police for (?) these two months, cost to be met from Palestine Police Vote. The difficulty in obtaining recruits from the Gendarmerie would, I understand, be largely overcome if men on transfer were allowed to retain present Gendarmerie rates of pay and allowances for the unexpired period of contract. This would be more economical than obtaining new recruits from England and would strengthen the Police, the actual strength of which would be perilously low until the arrival of the new recruits from England. The difference between the present Gendarmerie rates and the new Police rates of pay and allowances only would be charged to Vote for the British Section. Otherwise, if men do (?) not transfer, whole cost of pay at (?) conclusion for the unexpired portion of contract falls on British Section Vote. I strongly recommend this course.—PLUMER.

C. 4842.

No. 9.

PALESTINE.

TREASURY to COLONIAL OFFICE.

Treasury Chambers,
27th February, 1926.

(S. 18211/4.)

SIR,

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Sir J. E. Shuckburgh's letter of the 11th instant* relative to the proposals relating to the married establishment and the grant of separation allowance which were included in the terms of service for British Gendarmes transferring to the Palestine Police.

In reply I am to request you to inform Mr. Secretary Amery that My Lords approve the proposals contained in Appendix B to the High Commissioner's despatch of the 30th October last† for a married establishment up to 15 per cent. of the British Section of the Police Force, *i.e.*, some 30 individuals in all; for the payment of separation allowance at the rate of £E52 per annum to personnel on the married strength whose wives are not in Palestine; and in the case of such personnel who are permitted to bring their wives and families to Palestine, the grant of free second-class passages for wives and families and free accommodation in Palestine for themselves and their wives and families and a fuel and light allowance. Separation allowance will, however, not be drawn in these latter cases.

I am, &c.,
G. L. BARSTOW.

C. 4924.

No. 10.

PALESTINE.

The HIGH COMMISSIONER to the SECRETARY OF STATE.

(*Received* 2.24 *p.m.*, 27*th February*, 1926.)

TELEGRAM.

(*Answered by No.* 13.)

No. 67 of the 27th February. Transfer of British Gendarmes to Police very disappointing, chiefly because terms offered on disbandment appear *prima facie* better than terms of entry to Police by reason of payment of gratuity in one case before 31st March and in other after service with Palestine Police is complete. May I offer men selected for Police option taking now their gratuities to date of expiration of contract with British Gendarmerie and break service when transferred to Police. This will be cheaper than recruiting men in England and will (?) considerably diminish chances of pension liability for (?) service in Police.—PLUMER.

C. 4842.

No. 11.

PALESTINE.

The SECRETARY OF STATE to the HIGH COMMISSIONER.

(*Sent* 3.50 *p.m.*, 8*th March*, 1926.)

TELEGRAM.

No. 68.—Your telegram No. 35 of 4th February,‡ terms of service for British Gendarmerie transferring to Police. I approve proposals in Appendix B to your despatch of 30th October, Confidential B,§ for married establishment and separation allowance.—Despatch follows.—AMERY.

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* C. 2944/26; not printed. † No. 2. ‡ C. 2944/26; not printed. § No. 2.

C. 5705.

No. 12.

PALESTINE.

The HIGH COMMISSIONER to the SECRETARY OF STATE.

(*Received Colonial Office* 6.48 *p.m.*, 9*th March*, 1926.)

TELEGRAM.

No. 81 of 9th March. Confidential.

Your telegram No. 64 of 5th March.* In all the circumstances I think that the title "Trans-Jordan Frontier Force" is best and as you have left the decision to me I am adopting it.—PLUMER.

C. 5715.

No. 13.

PALESTINE.

The SECRETARY OF STATE to the HIGH COMMISSIONER.

(*Sent* 2.50 p.m., 11*th March*, 1926.)

TELEGRAM.

No. 71. 11th March. Your telegrams No. 50 of 19th February,† No. 59 of 24th February,‡ and No. 67 of 27th February§ re-organisation of Public Security Forces.

After consultation with Treasury I approve (*a*) payment of sums referred to in your telegram No. 50 before 31st March to British Gendarmerie personnel who actually cease to be employed by Palestine Government on that date, (*b*) proposal in your telegram No. 59 that men transferred to Police should be allowed to retain Gendarmerie rates of pay and allowances for unexpired period of their present contract. I cannot agree that extra cost involved should be debited against Gendarmerie funds this year, and this proposal is therefore approved on clear understanding that whole cost of British Section of Police in 1926–27 will be borne by Palestine funds.

(*c*) Proposal in your telegram No. 67 that British Gendarmerie should be offered option between (1) being discharged from Gendarmerie and taking gratuity earned in respect of Gendarmerie service and (2) transferring to Police and carrying Gendarmerie service forward for purposes of gratuity or pension.

As regards (*a*) I am instructing Crown Agents to pay sums due to personnel mentioned in Schedule C to your despatch Confidential A of 24th February.‖ Personnel referred to under (*a*) do not include Gendarmes who are to be temporarily retained to end of May to complete new Police establishment, *see* paragraph 6 of your despatch Confidential A of 24th February,‖ or Head-quarters Cadre to be retained until after 30th June. The contract of a Gendarme who is to be retained in either case should not be terminated on 31st March, but he should continue to serve on the terms of his contract until he ceases to be employed by the Palestine Government. He should then be paid sum due in respect of leave and unexpired period of contract if any counting from the date on which he ceases to be employed. Have no objection to payment of gratuity in such cases before 31st March.

I note from your telegram No. 71 of 2nd March¶ that estimated expenditure on Gendarmerie this year is approximately £E215,000 and on Head-quarters Cadre next year £E5,245. I regret that it will not be possible either to supplement total provision of £212,000 for Gendarmerie this year, or to make any provision on Imperial funds towards cost of Gendarmerie next year. His Majesty's Government are, however, prepared to issue this year such sums as may be required in excess of authorised estimate of £E196,855 shown under Head 11 of estimated Revenue up to but not exceeding £212,000.

You should telegraph before 31st March total sum required in the light of the terms of this telegram.—AMERY.

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* C. 4724/26; not printed. † C. 4742/26; not printed. ‡ No. 8. § No. 10.
‖ C. 5542/26; not printed. ¶ C. 5192/26; not printed.

25425

C. 5802.

No. 14.

PALESTINE.

The SECRETARY OF STATE to the HIGH COMMISSIONER.

(*Sent* 2.35 *p.m.*, *20th March*, 1926.)

TELEGRAM.

No. 88. 20th March.

His Majesty's Government have agreed to accept your proposal in regard to incidence of cost of Public Security Forces and will contribute to Palestine funds half cost of Frontier Force to 31st March, 1927, and pay Grant-in-Aid to Trans-Jordan.

Following Grants-in-Aid have been provided accordingly in Middle Eastern Services Vote, 1926–27, viz., £108,000 for Frontier Force and £92,000 for Trans-Jordan, subject to approval of detailed estimates.—AMERY.

C. 6994.

No. 15.

PALESTINE.

AIR MINISTRY to COLONIAL OFFICE.

Air Ministry,
London, W.C. 2.
26th March, 1926.

(598843/25/S.7.)

SIR,

I AM commanded by the Air Council to acknowledge the receipt of Sir John Shuckburgh's letter of the 11th of March* and to transmit herewith, for the information of the Secretary of State for the Colonies, a copy of a letter which has been addressed to the Air Officer Commanding, Palestine. It is understood semi-officially that your Department does not now desire the action requested in the last paragraph of the letter under reply to be taken, but that consideration is being given to the constitution of the new Force under Palestine and Trans-Jordan Ordinances. The Air Council will, therefore, await a further communication from your Department, both as to the discipline of the Force and, generally, as to its organisation. In this connection I may draw attention to this Department's letter of the 17th of March.†

I am, &c.,
J. A. WEBSTER.

Enclosure in No. 15.

26th March, 1926.

(598843/1925/S.7.)
Confidential.

SIR,

WITH reference to your telegram Q/555 of the 19th of January and previous correspondence in regard to the re-organisation of the local forces in Palestine and Trans-Jordan, I am commanded by the Air Council to inform you that this Department's telegram of the 5th of January (C. 34P) was intended to imply that the question of retaining a veterinary officer should be raised by you with the High Commissioner in order that he might take up the matter with the Colonial Office. In order to avoid delay, however, copies of the relevant telegrams were transmitted to that Department and it is understood that the necessary action has now been taken.

2. The Air Council await the further proposals of the Colonial Office about the re-organisation of the defence forces in Palestine. It is contemplated, however, that the new regiment should be dealt with in the same manner as the 'Iraq Levies, *i.e.*, that it should be under you for command, discipline and punishment, but for

* C. 3574/26; not printed.

† C. 6210/26; not printed.

other purposes should be administered entirely by the Colonial Office through the High Commissioner. On all questions of policy and all major questions of administration you would communicate with this Department at the same time forwarding a copy of the correspondence to the High Commissioner. When such questions were raised by the High Commissioner he would consult you before forwarding his proposals to the Colonial Office and you would, when you considered it necessary, forward your views to this Department for consideration with the proposals of the High Commissioner. The Commanding Officer of the regiment would refer these major questions to the High Commissioner through you; on minor questions of administration he would communicate with the High Commissioner direct. Minor administrative questions arising at the present time should therefore be raised by you with the High Commissioner with a view to their reference to the Colonial Office.

I am, &c.,
J. A. WEBSTER.

The Air Officer Commanding,
Command Head-quarters,
Bir Salem,
Palestine.

C. 7615.

No. 16.

PALESTINE.

The HIGH COMMISSIONER to the SECRETARY OF STATE.

(*Received* 12.25 *p.m.*, *2nd April*, 1926.)

TELEGRAM.

(*Answered by No.* 20.)

No. 106 of 1st April.—Your telegram of 27th March, No. 103,* Rates of Pay, Trans-Jordania Frontier Force. I cannot agree that British Officers serving in the Force shall receive total emoluments (?) less (?) than the total emoluments receivable by civil officers in corresponding grades. Equality can be established by payment of expatriation allowances in corresponding grades. Ask that these be granted Duty allowances are payable only for this country and are granted in recognition of the responsibilities of Command. Even as thus amended rates of pay are unlikely to attract regular officers of the best type.

2. As regards Second in Command I would point out that this Officer will be in charge of all ancillary services for the (?) regiment and your proposal(s) do(es) not appear to recognise the importance of the appointment. It is essential, therefore, that an officer of experience be appointed and his emoluments should be as follows :— Substantive Salary £E850, plus £E50 Expatriation Allowance, plus £E50 Duty Allowance. Moreover, I am very anxious that Major Shute, recommended in my Confidential despatch of 24th February* should be appointed to this post and in his case I recommend that an additional (?) personal allowance of £E10 per annum be granted in order that he shall not receive less than the emoluments of his present army appointment. I am informing other officers that conditions of service will in any case not be less favourable than the conditions at present obtaining in Palestine Gendarmerie.

3. I further consider that the Force should receive gratuities in all ranks in respect of service as recommended in my Estimates despatch. I cannot appreciate why the Frontier Force should be placed at a disadvantage in comparison with the Police Force.

4. I have offered local officers and other ranks rates of pay as provided for in the Estimates, 1926–27, and am enlisting the Force on this basis. These rates correspond with Police rates.

* C. 5543/26; not printed.

5. I have also offered British Staff-Sergeants, British Sergeants, and British Civilian Clerks, rates of pay in Grade II, Junior Service, pending your decision, but again I must press that no distinction be made between this personnel and similar personnel in the Civil Police. Detailed conditions of service for British Staff-Sergeants and Sergeants were transmitted* by last week's bag.

6. I am bringing the Force into being on 1st April, since among the men presenting themselves for enlistment are included a number of Trans-Jordanians and this will have an important political effect, of which I must take advantage immediately. —PLUMER.

C. 8344.

No. 17.

PALESTINE.

The SECRETARY OF STATE to the HIGH COMMISSIONER.

Downing Street,
(No 611.) 20th May, 1926.

MY LORD,

I HAVE the honour to refer to my telegram No. 156 of the 20th of May,† and to inform you that, on a further consideration of the question in the light of your recommendations, I approve the under-mentioned revised rates of pay for British Officers appointed to the Trans-Jordan Frontier Force. These revised rates should be substituted for those given in my telegram No. 103 of the 27th of March.‡

Lieutenant-Colonel :—

£E1,150 per annum plus Duty pay at the rate of £E100 per annum.

Major—Second in Command :—

If over 5 years' service as Major } £E900 per annum, plus Duty pay at the rate of £E50 per annum.
If less than 5 years' service as Major - - } £E850 per annum, plus Duty pay at the rate of £E50 per annum.

Majors—Commanding Companies :—

£E700 per annum rising by biennial increments of £E50 to £E800 per annum, plus Duty pay at the rate of £E50 per annum.

Captains—Company Officers :—

£E600 per annum rising by biennial increments of £E50 to £E700 per annum plus Duty pay at the rate of £E50 per annum if and so long as in command of a Company.

Lieutenants :—

£E450 per annum rising by biennial increments of £E50 to £E550 per annum. Cost-of-living allowance is payable to all Officers. The grant of the first biennial increment of £E50 per annum is conditional on passing an elementary examination in Arabic and an examination in military subjects, and the second biennial increment will not be granted till the expiration of two years from the grant of the first increment. The signalling officer, machine gun officer, veterinary officer, medical officer, adjutant, paymaster and quartermaster will receive Duty allowance at the rate of £E50 per annum.

I have, &c.,
L. S. AMERY.

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* C. 7550/26; not printed. † C. 8344/26; not printed. ‡ No. C. 5543/26; not printed.

C. 11163.

No. 18.

PALESTINE.

The HIGH COMMISSIONER to the SECRETARY OF STATE.

(*Received* 31*st May*, 1926.)

(*Answered by No.* 31.)

Government Offices,
Jerusalem.
17th May, 1926.

(No. 552.)
Reference No. 7186/26.

SIR,

I HAVE the honour to forward two sealed and six plain copies of Ordinance No. 11 of 1926, entitled " An Ordinance to provide for the organisation and discipline of a Frontier Force," and to request that I may be informed of His Majesty's pleasure in regard to it.

I have, &c.,
PLUMER,
F.M.
High Commissioner.

ENCLOSURE IN No. 18.

GOVERNMENT OF PALESTINE.

THE FRONTIER FORCE ORDINANCE.

No. 11 of 1926.

An Ordinance to provide for the organisation and discipline of a Frontier Force.

BE IT ENACTED by the High Commissioner for Palestine, with the advice of the Advisory Council thereof :

PART I.—ORGANISATION OF THE FORCE.

1. This Ordinance may be cited as the Frontier Force Ordinance, 1926. — Short title.

2. In this Ordinance— — Definitions.

" The Force " means the Trans-Jordan Frontier Force established under this Ordinance.
" Military Forces " includes naval and air forces.
" Commanding Officer " includes the Officer performing for the time being the duties of the Commanding Officer.
" Officer " means any Commissioned Officer or Warrant Officer.
" Company Officer " means an Officer in command of a Company or an Officer in charge of any detachment to whom the Commanding Officer shall delegate the powers of a Company Officer.
" Non-Commissioned Officer " means a member of the Force of the rank of sergeant or corporal.
" Private " means any member of the Force below the rank of corporal.
" Soldier " includes N.C.O. and private.
" In the field " means service on active military operations.

3. There shall be constituted a Frontier Force to be styled the Trans-Jordan Frontier Force. — Constitution of Force.

4.—(1) The Force shall consist of a Commanding Officer and such other Officers as the High Commissioner, with the approval of the Secretary of State, may appoint; and such a number of Non-Commissioned Officers and privates, to be appointed as hereinafter provided, as the High Commissioner may from time to time determine. — Composition of Force.

(2) Privates up to the number authorised by the High Commissioner shall be enlisted by or under the direction of the Commanding Officer. The Non-Commissioned Officers shall be appointed by the Commanding Officer.

Officers to take Oath.

5. Every Officer not holding a Commission in the Military Forces of the Mandatory Power shall on appointment to the Force take an oath in the form prescribed by Regulation in the presence of the Commanding Officer.

Conditions of enlistment.

6.—(1) Every person applying to enter the Force as a soldier shall pass a medical examination. If approved by the Commanding Officer he shall be enlisted for a term of three years. If during any time he be found unfit for his duties or unlikely to become efficient, the Commanding Officer, with the approval of the High Commissioner, may order his discharge and he shall thereupon cease to belong to or have any claim upon the Force.

(2) Every person enlisting in the Force as a soldier shall take an oath in the form prescribed and shall sign before an Officer an attestation paper in the form prescribed by regulation hereunder.

Conditions of resignation.

7. A soldier shall not resign from the Force or withdraw from his duties before the expiration of the term of his engagement unless he shall have obtained the consent of the Commanding Officer. In default he shall be liable to be charged with desertion.

Limits of service.

8. The Force shall not be employed outside the limits of the mandated territory except with the special authority of the High Commissioner, who may authorise its employment in any adjacent territory when such employment is deemed necessary for the defence of the territory of Palestine and Trans-Jordan.

Part II.—Discipline and Punishment.

Liability to trial.

9. Any member of the Force who commits any of the offences set forth in the Schedule to this Ordinance shall be liable to be tried and punished in the manner provided herein.

Military custody.

10.—(1) Any member of the Force charged with an offence under this Ordinance may be taken into military custody.

(2) No person shall remain in military custody for a longer period than eight days without a Court Martial for his trial being ordered, unless either the Commanding Officer has dealt with the case summarily where he has power so to do, or the Company Officer has, previous to the expiration of such period of eight days, made a special report of the necessity of further delay to the Commanding Officer; a similar report shall be forwarded every eight days until a Court Martial is assembled or the member of the Force is released from custody.

(3) An Officer may order into military custody an Officer of an inferior rank or any soldier, and any N.C.O. may order into custody any soldier of inferior rank; and an Officer may order into military custody, any Officer though he be of higher rank, engaged in a quarrel, affray, or disorder.

(4) The charge made against any person taken into military custody shall without unnecessary delay be investigated by the proper authority in accordance with Regulations hereunder, and as soon as may be, either proceedings shall be taken for punishing the offence or such person shall be discharged from custody.

Power of Company Officer to enquire into charge.

11.—(1) Where any charge is made against any member of the Force of having committed an offence under this Ordinance, a Company Officer shall enquire into the truth of the charge.

(2) If the charge is made against an Officer, the Company Officer shall report the matter to the Commanding Officer.

(3) If the charge is made against a soldier and the offence charged is one of the offences specified in Part II or III of the Schedule hereto, the Company Officer shall either deal with the case summarily if he is empowered by this Ordinance so to do, or shall refer the matter to the Commanding Officer.

Powers of the Commanding Officer.

12. The Commanding Officer may try summarily any soldier charged with any of the offences specified in Parts II and III of the Schedule hereto, and may award one or more of the following punishments:—

(*a*) imprisonment for a period not exceeding 28 days;
(*b*) reduction to a lower rank of any N.C.O.;
(*c*) dismissal from the Force;
(*d*) forfeiture of pay for not more than 28 days;
(*e*) deprivation of good conduct pay;

(*f*) confinement to camp or barracks for a term not exceeding 14 days with or without punishment drill or extra guard fatigue or other duty;
(*g*) detention in the quarter guard for a term not exceeding 14 days with or without fatigue and short rations;
(*h*) in the case of a Non-Commissioned Officer reprimand or severe reprimand; and in the case of a private, admonition; provided that any sentence involving dismissal from the Force shall not be effective till approved by the High Commissioner.

Summary trial by a Company Officer.

13.—(1) Any Company Officer may try summarily any private under his command charged with any of the offences specified in Part III of the Schedule hereto, and may award one or more of the following punishments:—

(*a*) confinement to camp or barracks when off duty for a term not exceeding 14 days;
(*b*) fine not exceeding 14 days' pay;
(*c*) deprivation of good conduct pay;
(*d*) admonition;

(2) A Company Officer may try summarily any Non-Commissioned Officer under his command charged with any such offence and may impose a reprimand.

Trial by a Court Martial.

14.—(1) Any member of the Force may be tried by a Court Martial on a charge of having committed any offence under this Ordinance.

(2) In any case in which an Officer is charged with an offence under this Ordinance or in any case in which any member of the Force is charged with any such offence which is not triable summarily, the Commanding Officer shall convene a Court Martial.

(3) In any case in which a member of the Force is charged with an offence triable summarily and the Commanding Officer competent to try such offence is of the opinion that the offence, if proved, would merit more severe punishment than he is competent to inflict, he shall, whether the trial has already commenced or not, take steps for convening a Court Martial.

Convening and constitution of Court Martial.

15.—(1) Subject to the provisions of Section 16, a Court Martial may be convened only by the Commanding Officer.

(2) A Court Martial shall consist of not less than three Officers, or if the offence to be tried is punishable with death, of not less than four Officers each of whom must have held a Commission in the Military Forces of the Mandatory State or have been an Officer in the Palestine Gendarmerie, or in the Arab Legion of Trans-Jordan or in the Force for a period of not less than one year.

(3) The President of a Court Martial shall be appointed by name by order of the authority convening the Court and shall not be under the rank of Captain.

(4) Sentence of death shall not be passed on any prisoner without the concurrence of two-thirds at least of the Officers serving on the Court Martial by which he is tried.

(5) Any Officer of the Military Forces of the Mandatory State may be the President or member of a Court Martial whether or not he is an Officer of the Force.

Field Court Martial.

16.—(1) A Field Court Martial may be convened by any Company Officer when in the field for the trial of any person under his command if in the opinion of such Officer it is not practicable that the offence shall be tried by an ordinary Court Martial.

(2) A Field Court Martial shall consist of three Officers unless the Company Officer is of opinion that three Officers are not available, in which case it may consist of two Officers, but no Field Court Martial consisting of less than three Officers shall pass a higher sentence than imprisonment.

(3) Sentence of death shall not be passed by a Field Court Martial without the concurrence of all the members.

Sentences that a Court Martial may inflict

17.—(1) A Court Martial may inflict any of the following penalties in respect of the offences specified in the Schedule hereto:

(*a*) In the case of Officers according to the scale following:
death;
penal servitude for a term not less than three years;
imprisonment with or without hard labour for a term not exceeding 3 years;
dismissal from the Force;
forfeiture of seniority of rank;
reprimand, or severe reprimand.

(*b*) In the case of soldiers, according to the scale following:

death;
penal servitude for a term not less than three years;
imprisonment with or without hard labour for a term not exceeding 3 years;
discharge from the Force;
In the case of a Non-Commissioned Officer, forfeiture of seniority of rank or reduction to a lower grade or to the ranks;
forfeiture of pay;
fine.

Provided that a Court Martial shall not

(*a*) inflict the penalty of death except upon conviction for one of the offences specified in paragraph 1 of Part I of the Schedule hereto;

(*b*) inflict the penalty of penal servitude except on conviction for one of the offences specified in Part I of the Schedule.

(2) An Officer shall be sentenced to be dismissed before he is sentenced to penal servitude or imprisonment.

(3) An Officer sentenced to forfeiture of seniority of rank may also be sentenced to the penalty of reprimand or severe reprimand.

(4) A soldier sentenced to penal servitude or imprisonment may in addition thereto be sentenced to discharge from the Force.

(5) In addition to or without any other punishment in respect of an offence committed by a soldier in the field, it shall be lawful for a Court Martial to order that the offender forfeit all his pay for a period commencing on the day of sentence, and not exceeding three months.

(6) In addition to or without any other punishment in respect of any offence, an offender may be sentenced to any deduction authorised by this Ordinance to be made from his ordinary pay.

Confirmation, &c. of sentence.

18.—(1) The finding and sentence of Court Martial shall be submitted for confirmation to the Commanding Officer who may either confirm or order a revision thereof or quash the conviction, or mitigate, remit, commute or suspend the sentence.

(2) If the convicted person is an Officer or if the Court Martial has inflicted a sentence of imprisonment for a period of more than one month or any severer penalty, or a sentence including dismissal or discharge from the Force, the Commanding Officer shall submit the finding and sentence for confirmation to the High Commissioner who may take such action thereon as he thinks fit.

(3) The High Commissioner shall at all times be empowered to quash, mitigate, remit, commute or suspend any sentence passed by a Court Martial or by the Commanding Officer or a Company Officer.

Records and evidence.

19.—(1) A record of every trial under this Ordinance, whether such trial is summary or by a Court Martial shall be drawn up and signed by the Officer conducting the trial or presiding over the Court, as the case may be.

(2) Evidence on oath may be taken at any trial under this Ordinance, and such trial shall be deemed to be a trial before a Court for the purpose of any provision punishing a person who gives false evidence at a trial or at a judicial hearing or who fails to attend as a witness when summoned or refuses to give evidence.

Offences punishable by civil law.

20.—(1) Every member of the Force who shall commit any offence against the Penal law shall be deemed to be guilty of an offence under this Ordinance, and shall be liable to be tried by a Court Martial if the Commanding Officer elects, at any time before the trial is commenced before the Civil Court, to bring the accused before a Court Martial.

(2) A Court Martial trying a member of the Force for any such offence shall apply the principles of English Law both in respect of the nature and constitution of the offence, and in respect to the admissibility of evidence and the punishment of the offence, provided that no sentence more severe than that prescribed by the law of the country in which the offence took place shall be imposed.

Adjustment of civil and military law.

21.—(1) Where a warrant is issued for the arrest of a member of the Force charged with an offence triable by the Civil Court, it shall be addressed to the Commanding Officer and shall be executed by him unless before the date of the return of the warrant he exercises his right under Section 20 of this Ordinance to bring the accused before a Court Martial.

(2) A member of the Force arrested without a warrant by the Civil Authority shall be handed over with all despatch to his Commanding Officer or other Officer of the Force as may be convenient. Such Officer shall keep the member of the Force in custody until he shall be discharged in due course of law.

(3) Prior to or during any adjournment of trial, a member of the Force shall be placed in the custody of an Officer of the Force; provided, however, that with the consent of the Commanding Officer he may be detained in a civil prison. If not released after trial, he shall be returned to the custody of such Officer until handed over to the Superintendent of the Prison in order that he may serve the term of the imprisonment.

Arrest of member of the Force for a civil offence.

22.—(1) If a person sentenced under this Ordinance is afterwards tried by a Civil Court on any charge based upon the facts which constituted that offence or some of them, the Court in awarding punishment shall have regard to the military punishment he may already have undergone.

(2) Where a person has been acquitted or convicted of an offence by a competent Civil Court, he shall not be liable to be tried in respect of that offence under this Ordinance.

(3) If an offence with which a member of the Force is charged is one triable by a Civil Court as well as by a Court Martial and the Commanding Officer elects at any time before the trial is commenced before the Civil Court to bring the accused before a Court Martial, no proceedings in respect of the same offence shall be taken before the Civil Court.

(4) Save as aforesaid, nothing in this Ordinance shall exempt any member of the Force from being proceeded against by the ordinary course of the law when accused or convicted of any offence.

A person liable to be tried under the Ordinance after leaving the Force.

23.—(1) A person shall be liable to be taken into military custody and to be tried and punished in accordance with this Ordinance for an offence which he is charged with having committed as a member of the Force, notwithstanding that prior to his trial he has ceased to be a member of the Force; provided that no person shall be tried hereunder for any of the offences specified in Parts II and III of the Schedule to the Ordinance unless his trial commences within three months after he has ceased to be a member of the Force.

(2) No person shall be tried or punished under this Ordinance for any offence specified in Parts II and III of the Schedule hereto which has been committed more than three years before the date at which the trial commences.

Part III.—Pay, Deductions from Pay, and Exemption from Civil Process.

Authorised deductions only to be made from pay.

24. The pay of every member of the Force shall be paid to him without any deduction other than those authorised by this Ordinance.

Deductions from Officers' pay.

25.—(1) The following penal deductions may, with the authority of the Commanding Officer, be made from the ordinary pay due to an Officer of the Force:

(*a*) All ordinary pay in respect of any period during which he is absent without leave, or overstays the period for which leave of absence has been granted to him.

(*b*) The sum required to make good such compensation for any expenses, loss, damage, or destruction occasioned by the commission of any offence as may be awarded by the Court Martial by whom he is convicted of such offence.

(*c*) The sum required to make good the pay of any Officer or soldier which he has unlawfully retained or unlawfully refused to pay.

(2) There shall also be deducted any sum required to make good any loss, damage, or destruction of public property which, after due investigation, appears to the High Commissioner to have been occasioned by any wrongful act or negligence on the part of the Officer.

Penal stoppages from pay of soldier.

26. The following penal deductions may be made from the ordinary pay due to a soldier of the Force:

(*a*) All ordinary pay for every day of absence either on desertion or without leave, or as a prisoner of war, and for every day of imprisonment or detention awarded by a Court Martial or summarily, or by a Civil Court,

and for every day whilst he is in custody on a charge for an offence of which he is afterwards convicted by a Civil Court or Court Martial or Commanding Officer, or on a charge of absence without leave for which he is afterwards awarded any punishment.

(*b*) All ordinary pay for every day on which he is in hospital on account of sickness certified by the proper medical Officer attending on him at the hospital to have been caused by an offence under this Ordinance committed by him.

(*c*) The sum required to make good such compensation for any expenses, loss, damage, or destruction occasioned by the commission of any offence as may be awarded by the Court Martial or competent authority by whom he is convicted of such an offence.

(*d*) The sum required to make good such compensation for any expenses caused by him or for any loss of or damage or destruction done by him to any arms, equipment, clothing, instruments or to any building or property as may be awarded by the Commanding Officer or by a Court Martial.

(*e*) The sum required to pay a fine awarded by a Court Martial or other competent authority or a Civil Court.

(*f*) The sum required to pay any amount due under an agreement between the soldier and the Government for the purchase of his horse or any similar purpose.

(*g*) The sum required to pay any amount ordered by the Commanding Officer to be paid as hereinafter provided for the maintenance of his wife or child.

Provided that—

(i) The total amount of deductions from the ordinary pay due in respect of the sums required to pay any compensation, fine, or sum awarded or ordered to be paid as aforesaid shall not exceed such sum as will leave him, after paying for his messing and washing, less than P.T. 3 a day.

(ii) A person shall not be subjected in respect of any compensation, fine, or sum awarded or ordered to be paid as aforesaid to any deduction greater than is sufficient to make good the expense, loss, damage, or destruction for which such compensation is awarded or to pay the said sum.

(iii) Where a person who is sentenced or ordered in respect of an offence in the field to forfeit all ordinary pay is liable to any other penal deductions from pay, the sentence or order shall apply only to so much of his ordinary pay as remains after these other deductions have been made.

Creation and application of Fines Fund.

27. All fines imposed shall be placed to a general Fines Fund which shall be applied in accordance with Regulations made under this Ordinance for the benefit of members of the Force.

Exemptions in respect of civil process.

28.—(1) A member of the Force shall not be liable to be taken out of service by any process, execution or order of any Court or otherwise, or to be compelled to appear in person before any Court except in respect of the following matters or one of them:

(*a*) On account of a charge of or conviction for a civil offence; or

(*b*) on account of any debt, damages, or sum of money when the amount exceeds £E10 over and above the costs of the suit.

(2) All proceedings and documents in or incidental to a process, execution, or order in contravention of this Section shall be void; and where complaint is made by a member of the Force or his Company Officer that such member is dealt with in contravention of this Section, the Court or a judge thereof shall examine into the complaint and shall, if necessary, discharge the member of the Force without fee and may award reasonable costs to the complainant; provided that

(*a*) any person having cause or action or suit against a member of the Force may, notwithstanding anything herein, after due notice in writing given to the member or left at his last quarters, proceed with such action or suit to judgment, and have execution other than against the person, pay, arms, equipment, or clothing of such member, and

(*b*) nothing in this Section shall apply to a member of the Force required to attend as a witness before a Court of Law.

Liability of member of the Force to maintain wife and children.

29.—(1) A member of the Force shall be liable to contribute to the maintenance of his wife and of his children to the same extent as if he were not a member of the Force. But execution in respect of any such liability or of any order in respect of such maintenance shall not issue against his pay, arms, equipment or clothing.

(2) When any order is made under any Ordinance or Law for payment by a person who is or subsequently becomes a member of the Force of the cost of the maintenance of his wife or child, a copy of such order or decree shall be sent to the Commanding Officer, and in that case, or if it appears to the satisfaction of the Commanding Officer that a member of the Force has deserted or left in destitute circumstances without reasonable cause his wife or any of his children under 14 years of age, the Commanding Officer shall order a portion of his daily pay, not exceeding half, to be deducted and to be appropriated in liquidation of the sum adjudged to be paid by such order or towards the maintenance of such wife or children, as the case may be, in such manner as the Commanding Officer thinks fit.

(3) Where a proceeding is instituted against a member of the Force for the purpose of enforcing against him any liability mentioned in this Section and the member is quartered out of the jurisdiction of the Court, the process shall be served on the Commanding Officer.

Part IV.—Miscellaneous.

Provisions of Parts II and III not to apply to British Officers and N.C.Os.

30.—(1) The provisions of Parts II and III of this Ordinance shall not apply to any British Officer or British N.C.O. in the Force. The British Army Act shall apply to such Officer or N.C.O. at all times during his service with the Force, subject to such modifications as are specified in Schedule II hereto or as may be made from time to time by Regulation of the High Commissioner under this Ordinance.

(2) Any charge against a British Officer or N.C.O. shall be referred to the Officer in Command of the Forces of the Mandatory State in Palestine and Trans-Jordan.

Application of English Military Law when Force embodied in Forces of the Mandatory.

31. If at any time the Force is engaged on active service together with the Military Forces of the Mandatory State the provisions of the British Army Act may be applied to the Force by order of the High Commissioner with such modifications as he may prescribe in such order.

Mode of complaint by member of the Force.

32. If any soldier thinks himself wronged in any matter by any Officer other than his Company Officer or by any soldier, he may complain thereof to his Company Officer, and if he thinks himself wronged by his Company Officer either in respect of his complaint not being redressed, or in respect of any other matter, he may complain thereof to the Commanding Officer; and if he thinks himself wronged by the Commanding Officer either in respect of his complaint not being redressed or in respect of any other matter, he may complain thereof to the High Commissioner; and every person to whom a complaint is made in pursuance of this Section shall cause such complaint to be enquired into and shall take such steps as may be necessary for giving full redress to the complainant in respect of the matter complained of.

Power of High Commissioner to make regulations.

33.—(1) The High Commissioner may make, and when made, may vary and revoke Regulations:

(*a*) for the government and discipline of the Force;

(*b*) for the duties of the Force when called in aid of the Civil Power;

(*c*) for the direction and application of the moneys paid into the general Fines Fund;

(*d*) generally, for the application of this Ordinance.

Application of English Rules of Procedure.

34. The Rules of Procedure issued under English Military Law shall regulate the procedure of any summary trial or trial by a Court Martial or any Court of Enquiry held under this Ordinance, subject to any modifications which may be made by Regulation of the High Commissioner under this Ordinance.

PLUMER,
F.M.,
High Commissioner.

23rd March, 1926.

SCHEDULE I.

PART I.

1. When in the field

(*a*) Shamefully abandons or delivers up any garrison, place or post or uses any means to compel or induce any person shamefully to abandon or deliver up any garrison, place or post which it is the duty of such person to defend.
(*b*) Shamefully casts away his arms, ammunition or tools in the presence of the enemy.
(*c*) Treacherously holds correspondence with or gives intelligence to the enemy or treacherously or through cowardice sends a flag of truce to the enemy.
(*d*) Assist the enemy with arms, ammunition, or supplies or knowingly harbours or protects an enemy not being a prisoner.
(*e*) Having been made a prisoner of war voluntarily serves with or voluntarily aids the enemy.
(*f*) Knowingly does any act calculated to imperil the success against the enemy of the military forces of Palestine or the Mandatory State.
(*g*) Misbehaves or induces others to misbehave before the enemy in such a way as to show cowardice.
(*h*) Deserts or attempts to desert from the Force contrary to the terms of his engagement, persuades, endeavours to persuade, procures or attempts to procure any member of the Force to desert therefrom.
(*i*) Leaves his Company Officer to go in search of plunder.
(*j*) Without orders leaves his guard, patrol or post.
(*k*) Forces or strikes a soldier acting as a sentinel.
(*l*) Does violence to any person bringing provisions or supplies to the Force, or commits any offence against the property or person of any inhabitant resident in the country in which he is serving.
(*m*) Breaks into any house or other place in search of plunder.
(*n*) Makes signals or by any means whatsoever intentionally occasions false alarms in action, in the field, or elsewhere.
(*o*) Treacherously makes known the parole or countersign to any person not entitled to receive it.
(*p*) Irregularly detains or appropriates provisions proceeding to the Forces.
(*q*) When acting as sentinel sleeps or is drunk on his post or leaves the post before he is regularly relieved.

2. Causes or conspires with other persons to cause any mutiny or sedition in the Force or joins in, or being present fails to use his utmost endeavours to suppress any such mutiny or sedition or fails to inform his Company Officer of any actual or intended mutiny or sedition of which he has knowledge.

3. Strikes or uses or offers any violence to his superior officer being in the execution of his office.

4. Disobeys in such manner as to show wilful defiance of authority, any lawful command given personally by his superior officer in the execution of his office.

5. Being in the field does any of the following acts:

(*a*) without orders leaves the ranks on any pretence;
(*b*) without orders wilfully destroys or damages property;
(*c*) without authority holds correspondence with or gives intelligence to or sends a flag of truce to the enemy;
(*d*) by signals or otherwise disseminates reports calculated to create unnecessary alarm or despondency;
(*e*) in action or previous to going into action uses words calculated to create unnecessary alarm or despondency;
(*f*) strikes or uses or offers any violence to his superior officer or uses threatening or insubordinate language to his superior officer;
(*g*) disobeys any lawful command given by his superior officer.

PART II.

1. Does any act otherwise than in the field which is made an offence under the first part of this Schedule when committed in the field.

2. Steals or commits any fraud with reference to the distribution of public money or goods, or money or goods of the Force.

3. Falsifies or is accessory to the falsification of any report, return, official roll, pay list, certificate or document, or wilfully and with intent to defraud defaces, suppresses any such document.

4. Knowingly makes false accusations against any officer or soldier, or makes any false statement affecting the character of an officer or soldier.

5. Makes away with or is concerned in making away with, sells, destroys or injures his arms, ammunition, equipment, clothing or regimental necessaries or horse, or those of any comrade or any officer, or those belonging to any mess or band or any public property, or illtreats any horse in the public service.

6. Wilfully gives false evidence before a Court Martial.

7. Wilfully makes a false answer to any question in an attestation paper.

8. Assists any member of the Force to desert, or knowing of any desertion or intended desertion of a member of the Force does not forthwith give notice to his Company Officer or take any steps in his power to cause the deserter or intending deserter to be apprehended.

9. Being an officer behaves in a scandalous manner, unbecoming the character of an officer and a gentleman.

10. Fails upon being duly summoned to attend as a witness before a Court Martial or refuses any document in his power which he is required by a Court Martial to produce, or refuses as a witness to answer to any question to which a Court Martial may legally require him to answer or is guilty of any contempt of a Court Martial.

11. On application being made neglects or refuses to deliver over to the Civil Power or to assist in the lawful apprehension of any officer or soldier who commits an offence punishable by a Civil Court.

12. Being an officer or N.C.O. strikes or otherwise illtreats a soldier.

13. Being an officer or N.C.O. who has received the pay of any officer or soldier unlawfully detains or refuses to pay the same when due.

14. Uses traitorous or disloyal words.

15. Without due authority discloses any military information when such disclosure is likely to have produced effects injurious to the Government of Palestine.

PART III.

1. Being a soldier—

(*a*) is guilty of malingering;
(*b*) wilfully maims or injures himself or any other soldier with intent to render himself or such other soldier unfit for service;
(*c*) wilfully produces or aggravates any disease or infirmity;
(*d*) steals or receives, knowing it to be stolen money or goods, the property of a comrade or an officer, or belonging to the Force, or any public money or goods;
(*e*) breaks out of the barracks, camp, or quarters;
(*f*) is found out of bounds without a pass or written leave.

2. Neglects to obey any general or other orders.

3. Uses violence to any person in whose custody he is placed or whose duty it is to apprehend him.

4. Being concerned in any quarrel or affray, refuses to obey any officer who orders him into arrest, or strikes or uses or offers violence to such officer.

5. Being under arrest or otherwise in lawful custody, escapes or attempts to escape from lawful custody.

6. When in command of the guard, picket, control or post releases without proper authority, whether wilfully or otherwise, any person committed to his charge, or wilfully or without reasonable excuse allows to escape any person committed to his charge or whom it is his duty to keep or discharge.

7. Unnecessarily detains a person under arrest or confinement without bringing him to trial.

8. Absents himself without leave or fails to appear or leaves without due authority the place of parade or rendezvous appointed by his Company Officer.

9. Is drunk on duty or on parade or in barracks or in any public place.

10. Is found sleeping when on duty.

11. Commits any act or is guilty of any conduct, disorder, or neglect to the prejudice of good order and military discipline.

SCHEDULE II.

MODIFICATIONS AND EXCEPTIONS TO THE ARMY ACT.

The following rights and powers are reserved to the High Commissioner as regards British Officers and Non-Commissioned Officers who are not Officers and Non-commissioned Officers of the regular Military Force of the Mandatory State:—

(1) All rights and powers exercisable under the Army Act by the Army Council.

(2) The right to enforce against the pay of an Officer or Non-Commissioned Officer any order or decree made by a competent Court for the maintenance of a wife or child of such Officer or Non-Commissioned Officer as though it were an order or decree within the meaning of Section 145 of the Army Act.

C. 12146.

No. 19.

PALESTINE.

The HIGH COMMISSIONER to the SECRETARY OF STATE.

(*Received* 14*th June*, 1926.)

(*Answered by No. 24.*)

Reference No. 7547/26.

Secret.

SIR, 4th June, 1926.

I BEG to refer to my Confidential despatch marked " B " of the 18th of May, 1926*, on the subject of the general situation in Trans-Jordan.

As therein indicated some modification in the arrangements and disposition of the Trans-Jordan Frontier Force are desirable.

Notwithstanding the serious condition of affairs in Syria, Palestine has been free from serious disturbances during the past twelve months. It was necessary for some time to strengthen the Civil Police on the North-Eastern border by detachments of the Frontier Force, but these have now been withdrawn. The Civil Police are gaining in general efficiency month by month and I am confident that they are now capable of dealing with any disturbance or aggression which can affect Palestine either from within or without.

On the other hand the conditions in Trans-Jordan, if not actually disquieting, are not such as to justify the confidence that public security can safely be left to the Civil Police (Arab Legion) reduced in numbers, as they have been, for financial reasons.

The Policy clearly must be to transfer from Palestine to Trans-Jordan trained men as quickly as possible, and to push on with the training of such men as are enrolled in Trans-Jordan.

There is no doubt but that the permanent location of the whole Force must be in Trans-Jordan and that for some time to come a considerable, if not the greater, portion of the Force will be required in the southern part of that country.

In this connection it will be a great advantage if the Head-quarters of the Royal Air Force are located in Trans-Jordan.

I attach a memorandum which gives the organisation and composition of the Force and the arrangements which obtain at present.

I should be very glad if a copy of this despatch and memorandum could be sent to the Air Ministry.

I have, &c.
PLUMER,
F.M.,
High Commissioner.

ENCLOSURE IN No. 19.

MEMORANDUM ON THE TRANS-JORDAN FRONTIER FORCE.

A. *General :*

(1) The Force is constituted by Ordinance in Palestine, and similar legislation will be required in Trans-Jordan. It is administered by the Secretary of State through the High Commissioner.

(2) The Force is recruited as follows :—

(*a*) British Officers : Those at present serving have transferred from the Palestine and British Gendarmeries. There are certain vacancies which the Secretary of State has been asked to fill.

(*b*) Local Officers : Certain of these transferred from the Palestine Gendarmerie ; others were promoted from the non-commissioned ranks of the Palestine Gendarmerie ; and the remainder were transferred from the Arab Legion.

(*c*) British Warrant Officers : These were transferred from the Palestine and British Gendarmeries.

(*d*) Local Ranks : Those in Palestine have been either transferred from the Palestine Gendarmerie or recruited from applicants in the country. The

* C. 11258/26 ; not printed.

unit was open to all applicants, and Jews who satisfied the recruiting requirements have been accepted. A portion of the Force is, however, composed of men in Trans-Jordan who on the 1st of April became surplus to the establishment of the Trans-Jordan Police (Arab Legion). These men are employed on temporary engagements until either they are absorbed into the Frontier Force or discharged.

(3) The pay of the British Officers has been under consideration, but this has now been fixed by the Secretary of State's despatch No. 611 of the 20th of May, 1926.* Local Officers have been appointed at the rates originally proposed, and a similar observation applies in great part to British Warrant Officers. Local other ranks in Palestine are employed on the rates originally proposed ; but local other ranks in Trans-Jordan are employed temporarily on the lower rates of the Trans-Jordan Civil Police. This was, and is, desirable until the Frontier Force becomes an effective unit.

B. (1) The following are the establishments :

17 British Officers.
23 Local Officers.
13 British Warrant Officers.
2 British Sergeants.
52 Local Non-Commissioned Officers.
675 Local other ranks.

(2) Present strength :

10 British Officers.
12 Local Officers.
11 British Warrant Officers.
2 British Sergeants.
748 { Local Non-Commissioned Officers.
748 { Local other ranks.

(3) Racial constituents of present strength of local Non-Commissioned Officers and other ranks :

218 Arabs.
30 Jews.
122 Circassians.
37 Sudanese.

N.B.—These figures do not include the Reserve Force in Trans-Jordan.

(4) Organisation of Force :

4 Mounted Companies.
2 Machine Gun Sections.

Under present arrangements one mounted company is to be mounted on camels, but it may be advantageous to have the four companies mounted on horses.

C. *Present Disposition of Force :*

(1) Sarafand - - -	Head-quarters.	
	" A " Company.	
	" B " Company.	(Temporarily located at Metullah.)
	" D " Company.	
Amman–Ma'an - -	Reserve Force disposed in accordance with the requirements of the Trans-Jordan authorities.	

(2) It is proposed ultimately to place the whole of the Force in Trans-Jordan as follows :—

Amman - - -	Head-quarters.
	Two Mounted Companies.
	Two Machine Gun Sections.
Ma'an - - - -	Two Mounted Companies.

D. *Stores, Supplies and Equipment :*

(1) The bulk of the stores and equipment is obtained through the Crown Agents. In certain cases it is more convenient to purchase certain stores and equipment directly from the Air Force ; the British Force in Egypt is also prepared to lend certain equipment pending discharge of indents on the Crown Agents.

* No. 17.

(2) Forage is supplied locally under local contract.
(3) The men feed themselves but at Sarafand have engaged a contractor who is paid each month according to his bills on each man, the proper reduction being made from each man's pay.

E. *Accommodation:*
(1) At Sarafand the camp lately used by the 9th Lancers has been taken. This is War Department property and the Palestine Government have offered a rental not exceeding £E2,000 per annum. A valuation is required by the War Office. It has been pointed out to His Majesty's Government that there may be value in maintaining this camp and all the depôts and workshops on charge to the Air Force to provide a base for any British force which in certain circumstances would be required in Palestine. If that proposal is adopted, either the Air Force or the Palestine Government might become the agent of the War Office in respect of War Department property.
(2) In Trans-Jordan at Amman and Ma'an the men are accommodated wherever possible in Arab Legion Barracks and railway buildings. There is, strictly speaking, no accommodation for the Frontier Force in that territory and it must be constructed. A provisional programme is attached; but it is now proposed to advance the work at Ma'an into the first year, postponing the work at Amman until the second year. Detailed estimates are in preparation and the figures in the programme are provisional, but it is not anticipated that they will be altered by quantities of any consequence. In the estimates 1926–27 the sum of £E29,000 is provided and this should be ample for that part of the work that can be completed in this financial year. Practically no work can be done at Ma'an during the winter months.
(3) It is desired that the Works and Buildings Department of the Air Force should undertake the work. It is considered undesirable that the work should be done by the Department of Public Works of the Palestine Government. If, however, it is finally decided that the Palestine Department undertake the work a substantial increase in the personnel of the Department will be required.

SUB-ENCLOSURE IN No. 19.

PROGRAMME IN REGARD TO ACCOMMODATION OF FRONTIER FORCE IN TRANS-JORDAN.

1. 1926–27.

(*a*) Site to be chosen at Amman capable of accommodating whole Force should this be decided eventually.
(*b*) Barracks to be built on site capable of accommodating one Company Mounted Rifles and two Sections of Machine Guns. The plant required for electrical and water supply, &c., to be capable of expansion to meet the eventual needs of Head-quarters and three Companies Mounted Rifles and two Machine Gun Sections. It is suggested that the land be purchased; its cost should not be unduly expensive. Probably it will be in the region of £E2,500. It is further suggested that the works constructed at Amman shall be permanent in character. The initial cost of permanent works in 1926–27, including 12½ per cent. Air Ministry charges, is £E50,000. The maintenance charges, which will commence in the following year, will rise eventually to about 5 per cent., of the initial cost, say £E2,500 per annum. We cannot give an estimate for operation of plant at the present stage, but it is suggested that eventually the Force should be self-reliant in this respect, providing its own mechanics and electricians, if these can be enlisted.

2. 1927–28.

Accommodation at Amman to be extended to provide for one Company Mounted Rifles and Headquarters of the Force. The approximate initial cost is £E55,000, including married quarters for the Commanding Officer and the Second-in-Command. Maintenance charges as in 1.

3. 1928–29.

Barracks to be constructed for one Company of Camels at Ma'an. The approximate initial cost is £E25,000. The maintenance will be as in 1 and 2 above.
Accommodation at Amman to be extended for one Company Mounted Rifles. Approximate initial cost £E30,000 and maintenance charges as before.

4. Very roughly, therefore, the total cost involved is £E160,000, initially spread over a period of three years, leading to maintenance charges eventually of about £E8,000. It will be understood that these figures are only roughly approximate and are sent forward as a guide in formulating a decision on this matter. In the Estimates of 1926–27 we have provided a sum of £E29,000 for works to be done at Amman. This, Your Excellency will perceive, is insufficient for the requirements now proposed for 1926–27, but the Colonial Office were requested in our despatch on Estimates to regard this figure as provisional only. The difference is largely explained as follows:—

(1) The medical authorities insist on increasing the floor space per individual from 40 superficial feet to 60.
(2) The plant for the supply of water and electricity is now calculated for a larger force than the one which was recently contemplated at Amman.
(3) It has been decided not to take over Peake's barracks for a variety of reasons, of which Your Excellency is aware, although these would have provided a somewhat cheaper form of accommodation limited to one Company.

C. 7615.

No. 20.

PALESTINE.

The SECRETARY OF STATE to the HIGH COMMISSIONER.

(*Sent* 3.20 *p.m.*, 14*th June*, 1926.)

TELEGRAM.

(*Answered by No.* 21.)

No. 176, 14th June. Your telegram 106, 1st April,* Frontier Force. I have discussed with other Departments concerned question of rates of pay for British Warrant Officers, Sergeants and Clerks referred to in paragraph 5, and note they have been offered rates of pay in Grade II, Junior Service.
The necessity for providing Grade I rate for British Warrant Officers in 1926 Estimates and in conditions of service is not clearly understood. I should be glad if you would telegraph by 16th (*a*) why your original proposals in despatch Confidential B of 30th October† have changed, (*b*) what are the equivalent grades in Police Force of British Warrant Officers and Sergeants? Am I right in presuming former are equivalent to British Inspectors? (*c*) To what ranks, if any, in British Army are they equivalent, (*d*) briefly, what are duties and responsibilities of personnel concerned? —AMERY.

C. 7615.

No. 21.

PALESTINE.

The HIGH COMMISSIONER to the SECRETARY OF STATE.

(*Received* 9.45 *p.m.*, 16*th June*, 1926.)

TELEGRAM.

(*Answered by No.* 22.)

No. 178, 16th June. Your telegram No. 176 of 14th June.‡ Frontier Force.—(*a*) Grading of British Warrant Officers was arranged to correspond with the grading of British Inspectors in the Police who have been appointed in Grade I in accordance with approved estimates. As stated in paragraph 5 of my telegram of 1st April No. 106,* there should be no distinction between this personnel and similar personnel in the Police.

* No. 16. † No. 2. ‡ No. 20.

(*b*) British Warrant Officers are equivalent to British Inspectors. There are no British Sergeants in the police except those in the British Section.

(*c*) Majority of British Warrant Officers have greater responsibilities than Company Sergeant-Majors and Company Quartermaster-Sergeants as there are no depôts in the establishment and they are solely responsible for all training of recruits and remounts and instruction of Local Officers, and, in the absence of Veterinary personnel in outstations, for the care of animals. They are also responsible for the safe custody of all stores in outstations in addition to normal duties of Company Sergeant-Majors and Company Quartermaster-Sergeants. The remainder are specialists, namely, Paget, Regimental Quartermaster-Sergeant; Whiteley, Officer in Charge of Records; Tee, Pay and Accounts; Leadsford, Armourer.—PLUMER.

C. 7615.

No. 22.

PALESTINE.

The SECRETARY OF STATE to the HIGH COMMISSIONER.

(*Sent* 1.5 *p.m.*, 17*th June*, 1926.)

TELEGRAM.

No. 184, 17th June. Your despatch 596 of 26th May,* Frontier Force. Leeves and Brailsford sailing per s.s. "Margha" on 19th June. Your telegram 178 of 16th June.† Rates of pay for British Warrant Officers (Grade I) British Sergeants and Clerks (Grade II) approved.—AMERY.

C. 10660.

No. 23.

PALESTINE.

COLONIAL OFFICE to AIR MINISTRY.

(*Answered by No.* 25.)

Downing Street,
18th June, 1926.

SIR,

I AM directed by Mr. Secretary Amery to acknowledge the receipt of Air Ministry letter of the 21st of May,‡ regarding the constitution, &c., of the Trans-Jordan Frontier Force, and to express his regret that, owing to an oversight the High Commissioner for Palestine has not hitherto been furnished by the Secretary of State with a copy of the letter addressed by the Air Ministry to the Air Officer Commanding, Palestine Command, on the 26th of March last.§ This has now been done, and I am to enclose, for the Council's information, a copy of a despatch‖ on the subject which has been addressed to Lord Plumer.

2. With regard to the third paragraph of the letter under reply, I am to enclose a copy of a despatch¶ from the High Commissioner forwarding a copy of an Extraordinary issue of the Official Gazette dated the 24th of March, 1926, in which the Frontier Force Ordinance is published and promulgated, together with a copy of an explanatory note on the subject by the Attorney-General. I am to request that Mr. Amery may be furnished as soon as possible with any observations on the subject of the Ordinance which the Air Council may have to offer. I am to explain that it was always Mr. Amery's intention to consult the Air Council in regard to the terms of the Ordinance constituting the Frontier Force. He was in fact about to do so when he received Lord Plumer's despatch¶ of the 29th of March, enclosing the text of the Frontier Force Ordinance as actually promulgated by the High Commissioner in anticipation of the Secretary of State's approval. Mr. Amery had not previously been consulted by the Palestine Government as to the terms of this Ordinance.

* File 19715 M E. [No. 9].
† No. 21.
‡ C. 10660/26; not printed.
§ Enclosure in No. 15.
‖ C. 10660/26; not printed.
¶ C. 8008/26; not printed.

3. I am also to enclose copies of an extract from a despatch from Lord Plumer dated the 9th of March,* together with a copy of an extract† from the Palestine Estimates for the financial year 1926–27, in which the cost of the Frontier Force in the current financial year is shown as £E148,521. As the Council are aware this figure will be slightly modified owing to the fact that the rates of pay for Officers, which formed the subject of discussion at an interdepartmental conference held at the Colonial Office on the 14th of May, at which the Air Council were represented, have been slightly reduced. In this connection, I am to enclose a copy of the revised Regulations‡ of service for officers, copies of which have also been sent to the Treasury and War Office, and I am to enquire whether the Council have any further observations to offer in regard to these Regulations.

4. From the enclosed extract from the Estimates, the Council will observe that the strength of the Force has been increased from 779 to 800 and is now comprised as follows:—

British Officers	17
British Warrant and Non-commissioned Officers	15
Native Officers	23
Native other ranks	727
Clerks	4
Sanitary men	14
	800

5. As regards paragraph 4 of the letter under reply, in regard to the proposed combination of the posts of Accountant Officer and Quartermaster, I am to refer to Colonial Office letter of the 8th of June§ in which the Council were informed that Mr. Amery had agreed that these posts should not be combined at present, but that the question should be reconsidered before the expiry of the first tour of duty of the Officers concerned.

6. With regard to the rates of pay for British Warrant and Non-Commissioned Officers and Clerks, I am to say that this question is under active consideration. The War Office and Treasury have been consulted on the subject, and further information in regard to duties, &c., is awaited from Lord Plumer. A further communication will be addressed to the Air Ministry as soon as a decision is reached in the matter.

I am, &c.,
J. E. SHUCKBURGH.

C. 12902.

No. 24.

PALESTINE.

The SECRETARY OF STATE to the HIGH COMMISSIONER.

(*Sent* 1.0 *p.m.*, 30*th July*, 1926.)

TELEGRAM.

(*Answered by No.* 26.)

No. 220. Your Secret despatch of 4th June,‖ Trans-Jordan Frontier Force. Proposals have been fully discussed with Departments concerned.

(2) *Redistribution.*—I note that memorandum states that two Companies will be stationed at Ma'an, whereas works programme provides accommodation for one company only. Please state which is correct.

(*b*) *Accommodation.*—Revised estimate of £E160,000 for accommodation for Force of 800 appears to be very high, especially as original estimate in Appendix C 11 to your despatch Confidential B of 30th October¶ was £45,000 only. I note that it is now proposed to provide permanent accommodation, but I would ask you to consider whether, in view of the uncertain political future of Trans-Jordan, buildings of a semi-permanent character at a lower cost would not meet the case. Air Ministry are

* C. 5629/26; not printed.
† Not printed.
‡ *See* page 68.
§ C. 11067/26; not printed.
‖ No. 19.
¶ No. 2.

of opinion that Palestine type at Sarafand supplied by the War Office, life of which is estimated at from 25 to 30 years, would be suitable and that adoption of this type or other cheaper form of construction for which stocks are available or material available from buildings which will become surplus to requirements instead of proposed stone buildings at Amman might effect material reduction in cost of buildings there, but that it is doubtful whether any saving would be effected at Ma'an, as material for proposed buildings is available locally.

Please furnish me with your observations on above, together with revised estimate of cost of accommodation.

In considering this question you will doubtless bear in mind possibility of Palestine Government being required to bear the whole cost of the Force in the immediate future, including balance of works expenditure in the event of it being decided that no Imperial contribution towards the cost of the Force should be made after the current year.

(c) *Hospital Accommodation.*—I shall be glad to receive your proposals for providing hospital accommodation for the Force as soon as possible. I understand that Air Ministry will not be required to provide hospital accommodation or medical attention for other than British personnel of the Frontier Force, and it is under consideration to close down the Air Force Hospital in Palestine next year.—AMERY.

C. 15567.

No. 25.

PALESTINE.

AIR MINISTRY to COLONIAL OFFICE.

(*Answered by No.* 29.)

Air Ministry,
London, W.C.2.
7th August, 1926.

(S. 25407/S.6.)

SIR,

I AM commanded by the Air Council to refer to Colonial Office letter of the 18th June,* transmitting a copy of a despatch dated the 17th June† to the High Commissioner for Palestine relative to the issue of instructions to the Air Officer Commanding, Palestine Command, regarding the channels through which communcations on the subject of the Trans-Jordan Frontier Force should pass. I am to state that the instructions contained in this Department's letter to the Air Officer Commanding of the 26th March,‡ were only of a tentative nature and that the Council would be glad to be able to inform the Air Officer Commanding that these instructions have been confirmed.

I am, therefore, to enquire whether the Secretary of State for the Colonies agrees that an intimation to this effect can now be sent to the Air Officer Commanding.

I am, &c.,
S. DANNREUTHER.

C. 16000.

No. 26.

PALESTINE.

The HIGH COMMISSIONER to the SECRETARY OF STATE.

(*Received* 16*th August*, 1926.)

Secret.
Reference No. 10887/26.

5th August, 1926.

SIR,

I HAVE the honour to refer to your telegram No. 220 of the 30th of July, 1926,§ in regard to the accommodation of the Trans-Jordan Frontier Force in Trans-Jordan.

2. Two companies of the Force will be stationed at Ma'an during the summer months, but one will be withdrawn during the winter. Consequently, permanent accommodation will be required at Ma'an for one company only. On the other hand accommodation at Amman should eventually be adequate for the needs of three companies, two Machine Gun Sections and Head-quarters.

* No. 23. † C. 10660/26; not printed. ‡ Enclosure in No. 15. § No. 24.

3. As regards the initial cost of construction I am aware that an estimate of £E45,000 was suggested in my confidential despatch B of the 30th of October, 1925,* but this estimate was based on considerations of dispositions in both Palestine and Trans-Jordan that are no longer good. I am quite satisfied that, in normal circumstances, no permanent military force need be stationed in Palestine and that internal order in Trans-Jordan, apart from considerations of external aggression, demands, for some years to come, the presence in that territory of a mounted military force.

4. That being the case, I feel sure that the provision of permanent accommodation for such a force at Amman and Ma'an is indispensable, and it would be in my judgment, uneconomical to construct barracks of temporary or semi-permanent character. The annual charge on maintenance in respect of such buildings is always heavier than that on permanent buildings and they count little as assets when their disposal is necessary. In this regard I should observe that, after the lapse of several years of development, it may be that order in Trans-Jordan can be maintained by a well-trained Police Force working without military assistance. The permanent barracks to be used by the Trans-Jordan Frontier Force would then provide suitable accommodation for such a Police Force, because it will always, in my view, be necessary to concentrate reserves both at Amman and Ma'an to provide for active measures in the event of disorder in the north and south of Trans-Jordan respectively.

5. The Air Officer Commanding in Palestine and Trans-Jordan has made the interesting suggestion that since the Head-quarters of the Command are to be transferred to Trans-Jordan they should be located at Ziza for the following reasons:

(1) The landing ground at Amman is incapable of expansion;

(2) The larger machines now coming into use can be employed at Ziza but only with difficulty at Amman;

(3) The landing conditions at Ziza are such that the aerodrome can be used in practically all weathers, whereas at Amman there were 30 days last winter during which machines could not leave the ground.

6. The Air Officer Commanding will no doubt communicate his proposal to the Air Ministry to whose serious attention I commend it. If it be adopted, then the present Air Force buildings at Amman could form the nucleus of accommodation for the Frontier Force for some time to come and, no doubt, suitable financial arrangements for the transfer could be made.

7. Pending the consideration of this new proposal I trust that your approval in principle will be given to the proposal to construct buildings for one company at Ma'an and that you will invite the Air Ministry to instruct the Senior Works and Buildings Officer at Sarafand to prepare plans and estimates which I shall then be able to transmit to you.

I have, &c.,
PLUMER,
F.M.,
High Commissioner.

C. 16000.

No. 27.

PALESTINE.

COLONIAL OFFICE to TREASURY.

Downing Street,
26th August, 1926.

SIR,

I AM directed by Mr. Secretary Amery to refer to the interdepartmental conference held at the Colonial Office on the 12th of July for the purpose of discussing questions arising out of the organisation of the Trans-Jordan Frontier Force, and to transmit to you, to be laid before the Lords Commissioners of the Treasury, the accompanying copy of a despatch which has been received from the High Commissioner for Palestine† in reply to the telegram‡ addressed to him in accordance with the decision taken at the above conference. A copy of the telegram is also enclosed.

* No. 2. † No. 26. ‡ No. 24.

2. Their Lordships will observe that Lord Plumer is of the opinion that a mounted military force will be required in Trans-Jordan for some years to come for the purpose of maintaining internal order, and that the provision of permanent accommodation for such a force at Amman and Ma'an is indispensable. The High Commissioner further considers that it would be uneconomical to construct barracks of a temporary nature, or of a semi-permanent character, as suggested in the telegram.

3. Pending a decision on the proposal referred to in paragraph 5 of the enclosed despatch, to locate Head-quarters of the Royal Air Force at Ziza, and on the question whether the barrack accommodation now used by Royal Air Force Head-quarters at Amman will eventually be available for use by the Trans-Jordan Frontier Force, Mr. Amery proposes to defer, for the present, consideration of the question of the construction of accommodation for the Force at Amman. Lord Plumer has, however, represented that it is most desirable that the buildings required at Ma'an should be constructed as soon as possible, and, in view of his opinion as to the necessity for permanent accommodation and of the urgency of the matter, Mr. Amery proposes, subject to Their Lordships' concurrence, to approve, in principle, the construction of permanent accommodation for one company of the Frontier Force at Ma'an, and to approach the Air Council with a view to the necessary instructions being sent to the Air Officer Commanding for the preparation of plans and estimates. He would, accordingly, be glad to learn whether Their Lordships concur in this proposal.

4. I am to add that from a provisional Estimate which has already been furnished by the Air Officer Commanding, it appears that the cost of providing permanent accommodation for one company of the Force at Ma'an will be in the neighbourhood of £28,000, and to observe that a total sum of £E.28,900 has been provided under Head XXVII of the Palestine Estimates for the current year for barrack accommodation for the Frontier Force.

5. The favour of a very early reply to this letter is requested.

I am, &c.,
A. J. HARDING.

C. 16814.

No. 28.

PALESTINE.

TREASURY to COLONIAL OFFICE.

Treasury Chambers,
(S. 9824/04.) 31st August, 1926.

SIR,

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Sir John Shuckburgh's letter of the 6th instant* and previous correspondence relative to the estimates of revenue and expenditure of the Trans-Jordan Government for the year 1926–27.

In reply I am to request you to inform Mr. Secretary Amery that My Lords do not propose to offer any comments on the details of the Estimates this year, but they feel bound to point out that whereas revenue is estimated to increase by £E31,679, expenditure exclusive of that in connection with Police and Prisons is estimated to increase by £E.49,271; and, subject to any observations which he may have to offer, They would be glad if the Secretary of State would point out the position to the Chief British Representative and warn him that estimates of expenditure should be stabilised at a level not exceeding the present figures until revenue shows a substantial expansion.

Subject to the above Their Lordships concur in the terms of the draft of the despatch which it is proposed to address to the High Commissioner.

My Lords desire to be consulted again before any issues are made from the Vote beyond the £66,000 proposed up to October next and They hope that, before any further issues have to be sanctioned, the final figures of revenue and expenditure for 1925–26 will be before Them.

I am, &c.,
R. S. MEIKLEJOHN.

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* C. 13479/26; not printed.

C. 17133.

No. 29.

PALESTINE.

COLONIAL OFFICE to AIR MINISTRY.

Downing Street,
8th September, 1926.

SIR,

I AM directed by Mr. Secretary Amery to acknowledge the receipt of your letter of 7th of August,* relative to the issue of instructions to the Air Officer Commanding Palestine Command, regarding the channels through which communications concerning the Trans-Jordan Frontier Force should pass and to state, for the information of the Air Council, that Mr. Amery agrees with the course of action proposed in the last paragraph of that letter. I am to enclose for the Council's information a copy of telegraphic correspondence with the Officer Administering the Government of Palestine on the subject.

I am, &c.,
H. YOUNG.

[C. 15567.]

ENCLOSURE 1 IN No. 29.

The SECRETARY OF STATE to the OFFICER ADMINISTERING THE GOVERNMENT OF PALESTINE.

(*Sent* 5.0 *p.m.*, 2*nd September*, 1926.)

TELEGRAM.

No. 244, 2nd September.

My despatch of 17th June, Confidential† Channel of communication for matters concerning Frontier Force. Air Ministry propose to confirm instructions contained in their letter to Air Officer Commanding, of 26th March, copy of which accompanied above-mentioned despatch. Unless you see any objection I propose to concur in this course.—AMERY.

[C. 17133.]

ENCLOSURE 2 IN No. 29.

The OFFICER ADMINISTERING THE GOVERNMENT to the SECRETARY OF STATE.

(*Received* 2.22 *p.m.*, 4*th September*, 1926.)

TELEGRAM.

No. 255. Confidential, 4th September.

Your telegram No. 244. Channel of communications for matters concerning the Frontier Force. No objection.

C. 16906.

No. 30.

PALESTINE.

COLONIAL OFFICE to AIR MINISTRY.

Downing Street,
(Secret.) 10th September, 1926.

SIR,

I AM directed by Mr. Secretary Amery to refer to Sir S. Dannreuther's letter of the 7th of August‡ and to request you to inform the Air Council that the Lords

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* No. 25. † C. 10660/26; not printed. ‡ No. 25.

Commissioners of the Treasury have now given approval for the construction of permanent accommodation for one Company of the Trans-Jordan Frontier Force at Ma'an during the current financial year, at a cost not exceeding £28,000.

2. I am to request that the necessary instructions may be given to the Air Officer Commanding and that he may be informed that the type of accommodation proposed by the High Commissioner for Palestine is accepted.

3. It is understood that the Council's charge for Departmental expenses for carrying out this work of construction will not exceed the figure of 15 per cent. given in Mr. Webster's letter of the 10th of May.* Mr. Amery trusts that, in order to keep the total cost of construction within the estimate, it may be possible to reduce the charge for Departmental Expenses to 12½ per cent. of the total expenditure which was the percentage quoted in the telegram of the 26th of April† from Air Officer Commanding in Palestine, of which a copy was enclosed in Air Ministry letter of the 10th of May.‡

I am, &c.,
H. YOUNG.

C. 15223.

No. 31.

PALESTINE.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(*Answered by No.* 33.)

(No. 1323.) Downing Street,
27th September, 1926.

SIR,

I HAVE the honour to acknowledge the receipt of Lord Plumer's despatch No. 552 of the 17th May§, forwarding copies of the Frontier Force Ordinance No. 11 of 1926, and to transmit to you herewith the accompanying copy of a letter, with enclosure, from the Air Ministry, whom I caused to be consulted with regard to the provisions of the Ordinance.

2. The amendment of the Ordinance, as indicated in paragraphs 2 and 3 of the note accompanying the Air Ministry letter, appears to me to be necessary. As regards paragraph 4 of the note, it is clear that some modification of Section 31 is necessary since no definition of active service is included in the Ordinance, and I would suggest that this section should be amended so as to provide that, when the Force is engaged upon operations together with the military officers of the Mandatory State, the Imperial Commander may, with the approval of the High Commissioner, apply the Army Act with such modifications as he may prescribe.

3. I agree generally with the observations contained in paragraph 5 of the note, but I am inclined to think that the provision in the Ordinance for the application of the Army Act to such British officers and British non-commissioned officers as are not on the Reserve of Officers or on the Army Reserve respectively, should be retained. I do not, however, see any necessity for Schedule II and would suggest that that Schedule and the last three lines of Section 30 (1) should be omitted.

4. I agree as to the desirability of amending Sections 24–26 of the Ordinance as indicated in paragraph 3 of the Air Ministry letter and I will address a further despatch to you in due course in regard to the conditions of service of British officers with the Force to which reference is made in paragraph 4.

5. In addition to the amendments suggested in the foregoing paragraphs, I consider that the alterations proposed below might with advantage be adopted :—

(*a*) The title of the Ordinance might be changed to "The Trans-Jordan Frontier Force Ordinance" and the consequent amendments made in Section 1.

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* C. 9987/26; not printed.
‡ C. 9987/26; not printed.
† Not printed.
§ No. 18.

(*b*) The inclusion of "Warrant Officer" under the definition of "Officer" is confusing and appears to be unnecessary, and might be deleted. This will necessitate the addition of the words "Warrant Officers" after "Officers" in the second line of Section 30 (1) and the defining of Warrant Officers in Part I. of the Ordinance.

(*c*) As there are Company Commanders as well as Company Officers in the Force, it seems desirable to define both and to make the necessary amendments throughout the Ordinance.

Section 4 (1). Any alteration in the active strength should be subject to the Secretary of State's approval.

Section 6 (1). I should be glad if you would consider whether the term of enlistment might not be for a longer period than three years. The term in the King's African Rifles is six years and short service periods have their disadvantages.

Section 15 (2). It is not clear whether it is intended that the members of a Court Martial should all be British. If so, the word "British" should be inserted between the words "for" and "Officers" in line 3.

Section 30 (1) might be amended to read "Provisions of Parts II and III of this Ordinance shall not apply to any British Officer, British Warrant Officer or British Non-Commissioned Officer in the Force, except where such officer is specifically mentioned. The saving clause underlined would appear to be necessary in view of the references to British Officers in Parts II and III of the Ordinance.

6. I shall be glad if you will consider the amendments suggested in the preceding paragraph and will furnish me with your observations thereon as soon as possible. It would appear to be necessary that an Ordinance amending the Frontier Force Ordinance in these particulars and in accordance with the proposals put forward by the Air Ministry, as modified, should be prepared. In this connection you will doubtless wish to take advantage of the offer of the Air Council to make the Deputy Judge Advocate-General to the Air Officer Commanding available for the purpose of consulting with the Attorney-General and the Commanding Officer of the Force, with a view to settling the detailed amendments necessary. The Air Ministry have accordingly been asked to issue the necessary instructions to the Air Officer Commanding. Pending the receipt of the draft amending Ordinance I propose to defer taking His Majesty's pleasure with regard to the Frontier Force Ordinance.

I have, &c.,
L. S. AMERY.

ENCLOSURE IN No. 31.

Air Ministry,
S. 25407/S.7. London, W.C. 2.
3rd August, 1926.

SIR,

I AM commanded by the Air Council to acknowledge the receipt of Sir John Shuckburgh's letter of the 18th of June,* and to request you to lay before the Secretary of State for the Colonies the attached note which has been prepared in this department on the legal status of the Trans-Jordan Frontier Force. Only the main lines on which amendment to the Frontier Force Ordinance, 1926, seems necessary have been dealt with in this note since the detailed amendments could probably be settled most conveniently by personal discussion in Palestine between the Attorney-General, the Commanding Officer of the Force and the Deputy Judge Advocate-General to the Air Officer Commanding. If Mr. Amery wishes, the Council will cause the Air Officer Commanding to be instructed to make the Deputy Judge Advocate-General available for this purpose. They would be glad, in due course, to see the resulting draft which the High Commissioner would no doubt forward to your department with the remarks of the Air Officer Commanding.

2. No remarks are offered in the note on matters which do not affect the Force's relations with the Imperial Forces or the position of the British personnel, but the Air Council suggest for Mr. Amery's consideration that the parts of the Ordinance which affect purely internal administration might usefully be reviewed at the same

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* No. 23.

time. The Ordinance follows very closely the corresponding sections of the Army and Air Force Acts and the following example will indicate the directions in which revision might be of advantage.

3. Sections 24 to 26 of the Ordinance deal with deductions from pay and follow closely sections 136 to 138 of the Army and Air Force Acts. The latter sections have been the subject of a succession of rulings by the Law Officers of the Crown and are by no means easy to administer. As the Ordinance has the advantage of starting *de novo*, and as Part III of it applies only to native personnel, it is worth considering whether much wider and cruder rules could not be laid down for deductions from pay. Moreover, sections 24 to 26 as drafted give even narrower powers than exist under the British statutes since they make no provision for non-penal deductions. Thus, no power is taken to recover a public debt or overissue from an officer's pay, and in the case of a man, the power is limited to sums due under an agreement with the Government. Finally, section 25 (2) omits to take power to award a penal deduction in the case of losses of service as distinct from public property—a power which, as regards the Army and Air Force, was taken in the Army and Air Force Annual Act, 1925.

4. As regards the conditions of service of British Officers of the Force the Air Council desire me to offer only two observations. First, they note that Officers are not debarred, as Air Force Officers at present are, from taking their families to Trans-Jordan. The Council see no objection to this difference in treatment, but as Mr. Amery has decided that Levy Officers should be debarred from taking their families to 'Iraq so long as Air Force Officers are so debarred, they think he should be aware of it. Secondly, they note that Officers are to be provided with medical and hospital treatment in Palestine and Trans-Jordan. They would be glad to learn to what extent it is contemplated that such treatment should be provided by the Royal Air Force. The Council presume that Mr. Amery has received an assurance from the Army Council that sufficient suitable officers are likely to volunteer under the terms of service proposed.

5. The Air Council note paragraphs 1, 4, 5 and 6 of the letter under reply on which they have no observations to offer.

I am, &c.,
B. E. HOLLOWAY.

The Under Secretary of State
for the Colonies,
Colonial Office,
S.W. 1.

SUB-ENCLOSURE IN No. 31.

LEGAL STATUS OF TRANS-JORDAN FRONTIER FORCE.

It was agreed between the Colonial Office and the Air Ministry that the responsibilities of the Air Officer Commanding, Palestine, and the Air Council in regard to the Frontier Force should be the same as those of the Air Officer Commanding, 'Iraq, and the Air Council in regard to the 'Iraq Levies. To this end it is necessary to include in the Palestine Ordinance constituting this Force provisions to the following effect :—

(i) That the Air or other Officer for the time being commanding in Palestine should have powers of command, discipline and punishment over the Force.

(ii) That all Officers and Non-Commissioned Officers of the Imperial Forces serving in Palestine or Trans-Jordan should have powers of command and discipline (but not punishment) over the Force.

2. To meet (i) above, sections 15, 16 and 18 of the Ordinance should be amended to allow the Imperial commander to convene Courts Martial and to reserve confirmation to him instead of to the High Commissioner. Certain death and penal servitude sentences should, however, require the High Commissioner's approval as well as the Imperial commander's confirmation (Army Act, section 55 (7) and (9)). It would not be necessary for the latter to have summary powers over the native personnel of the Force.

3. As regards (ii) above, powers of command could most easily be secured by making Imperial Officers and Non-Commissioned Officers Officers and Non-Commissioned Officers of the Force and superior Officers of their relative juniors in the Force. This is the method in which the same end is obtained under the Indian Army Act (*vide* section 7 of that Act). Air Force personnel should be included equally with British Army personnel in these provisions: the very elaborate provisions of section 184A of the Army Act and of a recent amendment to the Indian Army Act are unnecessary as regards the Frontier Force.

4. Section 31 of the Ordinance is intended to meet the points in paragraph 1 above when the Force is engaged on "active service" with the Imperial Forces. It is not clear what this means since "active service" is not defined and the Army Act definition is evidently not intended to apply since the Attorney-General presumes (apparently erroneously) that the Force will always be on active service within the meaning of the Army Act. If the steps proposed in paragraphs 2 and 3 above are taken, section 31 could be amended to provide merely that if the Force were working with the Imperial Forces the operation of the Ordinance might be suspended. The Imperial commander could then invoke section 177 of the Army Act and apply that Act to the Force with such modifications as he thought fit. In practice, however, this cumbrous course would presumably be adopted only if operations on a very large scale were undertaken. During training and minor operations the Ordinance would apply.

5. As regards the British personnel of the Force the Ordinance lays down in section 30 (2) that charges shall be dealt with by the Imperial commander. The Air Officer Commanding holds an Army court-martial warrant and no difficulty should arise here. Section 30 (1), however, lays down that such personnel shall be subject to the Army Act with such modifications as are specified in Schedule II or as may be made by the High Commissioner by regulation. This provision is presumably intended to apply only to British personnel who are not subject to the Army or Air Force Act *simpliciter* as being seconded from the Army or Air Force, but it would be preferable that this should be made clear. Schedule II, though it might be more clearly drafted, is evidently intended to be so limited. It deserves consideration, however, whether these elaborate arrangements for applying a modified Army Act to these officers and non-commissioned officers are worth while. Parallel cases in the 'Iraq Levies have been dealt with by the simple expedient of bringing the personnel under the Army Act *simpliciter*: in the case of Officers by granting commissions in the Army Special Reserve, in the case of men by enlistment into the Army Reserve.

C. 12301.

No. 32.

PALESTINE.

The SECRETARY OF STATE to the OFFICER ADMINISTERING THE GOVERNMENT.

Downing Street,
(No. 1387.) 11th October, 1926.

SIR,

I HAVE the honour to refer to Lord Plumer's despatch Confidential "B" of the 24th of February* forwarding, *inter alia*, a copy of the proposed Regulations of Service for British Officers appointed to the Trans-Jordan Frontier Force.

2. I now enclose, for your information, a copy of the Regulations as finally approved, which, you will observe, differ in certain respects from the proposed Regulations forwarded with your despatch. The principal amendments which have been made are as follows :—

(*a*) The rates of pay and allowances shown in paragraphs 19 and 20 have been amended to correspond with the rates approved in my despatch No. 611 of the 20th of May last.†

* C. 5543/26; not printed.

† No. 17.

(*b*) Paragraph 31, which lays down that first-class passages will be provided for Officers whose total emoluments are £E.600 per annum or more, and that second-class passages will be provided for other British Officers, has been amended to provide for the grant of first-class passages to all British Officers.

The necessary amendment has also been made to paragraph 3 relating to the grant of an assisted passage for an Officer's wife.

I would explain that the Army Council have pointed out in a letter, of which a copy is enclosed, that it is the universal rule to grant first-class travelling to all Commissioned Officers and their families. Having regard to the fact that all future vacancies in the British Officer establishment of the Trans-Jordan Frontier Force will normally be filled by regular serving Officers, I considered it desirable that the above rule should be followed in the case of British Officers serving with the Force.

(*c*) Paragraph 8 of the proposed Regulations has been amended, as proposed in paragraph 1 (ii) of the War Office letter, so as to provide that Officers of the Force shall rank therein according to their Army rank and seniority. In this connection, I may mention that the question of granting local rank in the British Army to Officers of the Force, in appropriate cases, has been taken up with the Army Council and the Air Council. A further communication on this point will be addressed to you in due course.

(*d*) Paragraph 38 of the proposed Regulations relating to disability compensation does not provide for the grant to Officers of the Force of similar treatment in all respects to that accorded to Officers serving with the British Army, inasmuch as it does not cover the case of disability due to disease. It is clearly desirable that British Officers serving with the Force should receive no less favourable treatment in this matter than that provided by British Army Regulations, and I have accordingly caused the above paragraph of the proposed Regulations to be amended as suggested in paragraph 1 (viii) of the War Office letter.

3. With regard to paragraph 2 of the War Office letter relating to the payment of pensionary contributions in respect of British Officers seconded for service with the Force, I would invite reference to my despatch No. 276 of the 3rd of March, 1925,* and to previous correspondence on the subject of the conditions under which the Army Council are prepared to approve the secondment of Army personnel for service overseas.

I have, &c.,
L. S. AMERY.

ENCLOSURE 1 IN No. 32.

REGULATIONS OF SERVICE OF BRITISH OFFICERS IN THE TRANS-JORDAN FRONTIER FORCE.

1. A candidate for appointment as an Officer in the Trans-Jordan Frontier Force must for the future—

(*a*) be an Officer of the Regular Army;

(*b*) at the date of appointment, be not less than 22 nor, except in the case of an Officer who has already served in the Force, more than 32 years of age;

(*c*) be unmarried on first taking up the appointment. In special cases exceptions may be made to this rule, but generally, married Officers will not be selected for appointment if unmarried Officers are available.

2. An Officer wishing to marry whilst seconded for service with the Force must first notify the High Commissioner, through the usual channels of communication, of his intention, such notification being held to carry with it the resignation by the Officer of his appointment in the Force, which the High Commissioner shall have absolute discretion to accept or refuse.

3. An Officer who marries, and whose resignation is not accepted by the High Commissioner, may, if his wife accompanies him or follows him to Palestine or

* 10199/25; not printed.

Trans-Jordan, with the High Commissioner's written permission, be granted, on production of evidence of the expenditure actually incurred, half the cost of his wife's passages to and from Palestine once during his period of service with the Force.

If an Officer marries a lady who is domiciled in Palestine an assisted passage once from Palestine to the United Kingdom on her behalf will be granted. If, however, an Officer marries locally a lady who has come out to Palestine specially for the purpose an assisted passage once in each direction on her behalf may be granted. In no circumstances, however, can the grant of assisted passages be extended to include an Officer's children.

As stated above, married Officers must first obtain the consent of the High Commissioner before bringing their wives to Palestine. If the High Commissioner is not satisfied that the Officer concerned is stationed in a district to which it is desirable that his wife should accompany him, or that the Officer is able to find suitable accommodation for his wife, that consent may be withheld. The Palestine Government can accept no responsibility whatever for the provision of suitable accommodation for the wives of married Officers.

4. Except in special circumstances, Officers serving abroad will not be selected for service with the Force. Officers on the strength of units serving abroad who are appointed to the Force whilst on leave in the United Kingdom may be required to defray any passage incurred in replacing them in their unit.

5. Officers are selected for appointment by the Secretary of State for the Colonies on the recommendation of the Army Council. Applications for appointment should be submitted to the War Office through the usual channels of communication.

6. When the appointment of an Officer has been sanctioned, the Officer will receive instructions from the Colonial Office as to the date on which he should be prepared to embark for Palestine.

7. In the absence of a statement to the contrary, which should be made on first application for appointment, it will be assumed that a selected candidate has no objection to conforming to the usual measures for the prevention and treatment of tropical diseases, including vaccination, inoculation and the use of quinine.

Rank, Precedence and Promotion.

8. Officers of the Force will rank therein according to their Army rank and seniority.

9. Promotion will be made by selection, and seniority alone will confer no right whatever to promotion.

10. Officers will be liable to serve with any branch of the Force and in any part of the territory under the administration of the High Commissioner for Palestine.

Period of Service.

11. An Officer will ordinarily be appointed to the Force for a period of two years in the first instance, with the option of the extension of that period on the recommendation of the High Commissioner. Seconded service with the Force will count towards Army Retired Pay in accordance with the provisions of Article 197(*h*) 203 and 537 of the Royal Warrant for the Pay, &c., of the Army, 1926, such service being classified "Class 'A'" under Article 92.

Termination of Appointment.

12. At any time during an Officer's period of secondment it will be within the discretion of the Commanding Officer of the Force to represent to the High Commissioner that the Officer, either from temperament or other causes, is unsuited for service in Palestine and Trans-Jordan. In such a case, provided that the High Commissioner is satisfied that the Officer is unsuited, arrangements will be made for the Officer's reversion to his British Unit, or for his disposal in such other manner as may be determined by the Secretary of State for the Colonies and the Army Council.

13. No Officer will be allowed to resign his appointment in the Force before the expiration of the period for which he has been seconded in his regiment, except on sufficient grounds to be approved by the High Commissioner for Palestine and the Secretary of State for the Colonies. If resignation is accepted and the Officer is

supernumerary in his British Regiment, he will be liable, to be placed on pay equal to half-pay of his substantive Army rank until such time as he can be absorbed into the establishment under the provision of Article 435, Pay Warrant, 1926.

14. When an Officer returns to the United Kingdom upon the conclusion of his period of secondment, arrangements will be made for his reversion to duty on the Imperial Establishment, usually at the expiration of the period of leave for which he has qualified by service in Palestine and Trans-Jordan.

15. When an Officer is invalided to the United Kingdom prior to the expiration of his period of secondment, arrangements will be made for his re-absorption into his British Regiment, when passed medically fit, if it appears to the Secretary of State for the Colonies and the Army Council that this is desirable.

Language Examinations.

16. Officers appointed to the Force are required to obtain a good colloquial knowledge of Arabic (or such other native language as may be appropriate) at the earliest possible date after their arrival in Palestine, and must take every opportunity to improve their knowledge.

17. Officers are required, within two years of their appointment to the Force, to pass an Arabic language test, and an examination in military subjects, failure in which will militate against an Officer's prospects of promotion and may result in the termination of his appointment in Palestine. An Officer who has not passed the language test and retention examination on completion of his first two years' service will not be eligible for the extension of contract.

Pay and Allowances.

18. The rates of pay and allowances are as follows :—

Lieutenant-Colonel - - £E1,150 per annum, plus cost-of-living allowance (5 per cent., plus £E27), plus duty pay of £E100.

Major—2nd in Command :

If over 5 years service as Major } £E900, plus cost-of-living allowance, plus duty pay of £E50.

If under 5 years service as Major } £E850, plus cost-of-living allowance, plus duty pay of £E50.

Majors - - - - £E700–800, plus cost-of-living allowance.

Captain - - - - £E600–700, plus cost-of-living allowance.

Lieutenants - - - £E450–550, plus cost-of-living allowance.

The biennial increments of £E50 per annum conditional on passing an elementary examination in Arabic and an examination in military subjects.

These rates are consolidated rates and no allowances (*e.g.*, for rations, servant, fuel and light, &c., &c.) are payable.

19. Signalling Officer, Machine Gun Officer, Veterinary Officer, Medical Officer Adjutant, Paymaster, Quartermaster and Officers Commanding Companies to receive duty allowance of £E50 per annum. Travelling allowances are also payable at the rates and under the conditions prescribed by the Government of Palestine, except in the case of an Officer away from his station in the field or when he is in bivouac, when half the rate of travelling allowance is payable.

20. At the present time a temporary and variable cost-of-living allowance is also payable, but this allowance will only continue so long as it is justified by the cost of living in Palestine and Trans-Jordan, and may be abolished at an early date.

21. A Uniform allowance of £E20 is given to each Officer on first appointment on the understanding that he will be liable to refund half this sum if for reasons other than ill-health he fails to complete a period of two years' service in Palestine or Trans-Jordan.

22. Accommodation will, if available, be provided by the Government, but normally on a scale suitable for unmarried Officers only. Rent will be charged for the accommodation, at the rates prescribed by the Government of Palestine, except in the case of an Officer placed under canvas or in temporary hutments, when half the ordinary rates will be charged. The present rate is 4 per cent. of the total annual emoluments, and 8 per cent. in the case of an Officer occupying married quarters.

Pay Arrangements.

23. Ordinarily, Officers are appointed to the Force and begin to draw pay from Palestine funds with effect from the date on which they embark in England for Palestine.

24. It is important that Officers selected for appointment should immediately advise their Army agents of their selection, and of the date of embarkation as soon as it is known, in order that arrangements may be made for their pay from Army funds to cease on the day preceding the date of embarkation. If an Officer should fail to do this, much inconvenience may result as it may be necessary to recover from him in Palestine any Army pay over issued.

25. An Officer proceeding to Palestine on first appointment to the Force receives half-pay at Force rates with effect from the date of embarkation for Palestine to the day preceding the date of arrival in Palestine.

26. Officers of the Force are ordinarily paid locally in Palestine or Trans-Jordan and not in the United Kingdom. Family allotments can, however, be paid in the United Kingdom, and Officers who wish to make an allotment from their pay to dependents in the United Kingdom should communicate with the Crown Agents for the Colonies, 4, Millbank, S.W. 1, before leaving England for Palestine. The Crown Agents will make arrangements for monthly payments which will continue to be paid until a communication is received cancelling the arrangements.

27. Except in special circumstances and with the express permission of the High Commissioner for Palestine, an allotment payable in the United Kingdom must not exceed half of an Officer's total emoluments.

28. On first appointment, an Officer can obtain one month's pay in advance from the Crown Agents for the Colonies. This advance will be recovered by instalments from the Officer's pay on his arrival in Palestine. Similarly, an Officer returning to Palestine from England after leave may obtain from the Crown Agents an advance of one month's pay within one month of the date of embarkation.

29. A sum greater than one month's pay will not be advanced save in the most exceptional circumstances and upon collateral security.

Passages.

30. Free first-class passages are provided to Officers proceeding to Palestine on first appointment to, and on return to England on the termination of their appointments in the Force. Officers are also granted free first-class railway transport in the United Kingdom and in Palestine or Trans-Jordan for themselves and their baggage on first appointment, and on the termination of their appointment between their place of residence in the United Kingdom and their station in Palestine or Trans-Jordan in accordance with the scale laid down in the Travelling and Transport Regulations of the Palestine Government. Officers on first appointment are required to sign an agreement with the Crown Agents for the Colonies undertaking to refund the cost of their passage to Palestine and of the conveyance by railway of themselves and their baggage to their stations in Palestine in the event of their relinquishing their appointments for reasons other than ill-health before completing a period of two years' service in Palestine or Trans-Jordan.

Personal Servants.

31. Officers in the Force are not provided with servants. They must make their own arrangements for engaging a native servant on their arrival in Palestine.

Leave.

32. Leave of absence may be granted in accordance with the Regulations in force for Officers of the Palestine Civil Service.

33. A brief Summary of these Regulations is given here for convenience :—

Subject to the exigencies of the Service, vacation leave on full pay, to be taken out of Palestine, may be granted at the rate of six weeks in respect of each year of service. Such leave shall not be cumulative beyond a total of three months.

Half-pay leave, not exceeding one-sixth of an Officer's resident service in Palestine may also be granted to Officers who have completed three years' residential service in Palestine from the date of first appointment to the Force. With the approval of the High Commissioner, half-pay leave may be commuted to half the amount of leave on full pay, but commuted half-pay leave may not be granted more frequently than once every four years.

34. An Officer may be required to discharge any duty or to go through any course of instruction which may be considered necessary during his leave of absence, and will not be entitled to any additional remuneration or leave of absence in consideration of such employment. Allowances granted to cover necessary out-of-pocket expenses are not regarded as remuneration.

35. Sick leave will be granted only on the recommendation of a Medical Board, and ordinarily will not exceed one month in Palestine on full pay in respect of each illness. If, at the end of one month, granted as above, an Officer is still unfit for duty he may be granted any vacation leave for which he may be eligible up to a maximum of three months and any half-pay leave for which he may be eligible. If, at the end of that period an Officer is still unfit for duty, he may be granted such an extension of leave as may be necessary with pay at British Army regimental full rates (with ration but no other allowances) up to the maximum to which he would be entitled under British Army Regulations, sick leave in all cases counting from the date of first absence from duty on account of sickness.

36. Free passages are not provided for Officers proceeding on vacation leave or sick leave, except in the case of an Officer proceeding on leave prior to the termination of his appointment in the Force. Officers proceeding on leave must, therefore, make their own arrangements for passages to and from the United Kingdom.

Medical Treatment.

37. Free medical treatment is provided for Officers in Palestine and Trans-Jordan, but not in the United Kingdom. Officers undergoing treatment in a Government or Service hospital in Palestine, are, however, required to bear the cost of their maintenance whilst in hospital. Officers requiring medical treatment whilst absent from Palestine or Trans-Jordan, who consult a private medical practitioner are required to bear themselves any expenditure on account of attendance or treatment. Officers who are admitted to a Military hospital while in the United Kingdom are required to pay the whole charge for treatment and maintenance if they are in receipt of full Frontier Force pay at the time. If they are in receipt of half Frontier Force rate of pay or of British Army rates of pay (without allowances) one-half of the charge for treatment and maintenance will be payable by the Officer, the other half being a charge against Frontier Force funds.

Officers disabled or killed on Duty or in Action.

38. Officers of the Force who suffer a disability attributable to service in the Force will receive the same treatment as regards disability compensation as they would have received if they had been serving in the British Army at the time of disablement. Where the death of an Officer of the Force is directly attributable to the conditions of service his dependents may claim and receive awards under the rules governing the grant of pensions and allowances to dependents of Officers of the British Army who die in similar circumstances.

Reporting.

39. All Officers of the Force returning to England will, on arrival, report immediately to the Colonial Office and the Crown Agents for the Colonies in writing, stating the date of departure from Palestine and the date of arrival in England.

Income Tax.

40. Imperial income tax is not payable in Palestine or Trans-Jordan in respect of salaries paid from Palestine funds, but an Officer may become liable in respect of monies remitted to the United Kingdom.

There is at present no local income tax in force in Palestine and Trans-Jordan.

Outfit.

41. A list of essential and desirable articles of clothing, equipment, &c., is given in the Appendix to these Regulations.

Provisions for Riding Animals for Officers.

42. Officers will be required to provide themselves with two riding animals, horses or camels, as directed. A loan may be issued by the Palestine Treasury for the purchase of these animals, which will be recovered by monthly deductions made from the Officer's emoluments. These deductions are made on a scale to cover the repayment of the loan on each animal during a period of six months.

Officers draw a free issue of forage in kind, up to the approved number of chargers for each charger borne on the strength which has been approved by a Board consisting of a Veterinary Officer and two British Officers, nominated by the Commanding Officers.

The regulations regarding the enrolment and loss of horses and camels and the depreciation allowance paid in respect of horses and camels as laid down in the attached Appendices apply equally to chargers as to troop horses and camels.

General.

43. It is to be clearly understood that the Regulations set forth in the foregoing paragraphs are liable to any alterations which may be directed by the Secretary of State for the Colonies.

13th September 1926.

APPENDIX (A).

OUTFIT.

General Guidance Only.

Note.—The essential articles are marked with a *.

I. UNIFORM.

* 1 Kalpack of Frontier Force pattern.
* 2 Jackets long, khaki drill of Frontier Force pattern, with shoulder chains fastened by hooks and buttons.
* 1 Jacket, long drab gaberdine of Frontier Force pattern, with shoulder chains fastened by hooks and buttons.
* 1 Kafiyeh, Frontier Force pattern.
* 1 Agal, Frontier Force Pattern.
* 1 Kamerband, red web, Frontier Force pattern.
* 2 Pairs breeches, Bedford cord drab.
* 1 Trousers, khaki drill.
* 1 Trousers, drab gaberdine.
* 2 Pairs blue puttees.
* 2 Pairs ankle boots, black.
1 Pair shooting boots.
1 Pair brown boots.
* 1 Waterproof coat.
* 1 Coat, British warm.
* 2 Pairs shorts, khaki.
* 2 Pairs woollen stockings.
* 2 Pairs brogue shoes.
* 3 Grey flannel shirts with collar, pockets and shoulder straps, similar in shade to the shorts issued in the Army.
* 3 Knitted black silk ties
* 1 Pair blue overalls.
* 1 Winter mess jacket, Frontier Force pattern.
* 1 Pair Wellington boots.
* 2 White mess jackets with roll collar and plain shoulder straps.
1 Red silk kamerband.

Note.—It is recommended that Officers should obtain articles of Frontier Force pattern in Palestine. They can wear their home-service uniform on the way out.

II. Equipment.

* Regulation Sam Browne belt.
* 1 Pair Army pattern spurs.
* Khaki haversack.
* Revolver, with khaki lanyard.
* Water bottle.
* Field glasses.
Prismatic compass.
Electric torch.
* Sword as used in British Officer's regiments.

(Camp kit) A. Essential.

* Folding camp bedstead.
* Valise.
* 3 Blankets and sleeping bag.
* Pillow.
* Water-proof sheet.
* Sandfly net (most essential).
Camp table, chair, bath, canvas bucket and wash basin.
Gum boots.
Lantern, camp folding.

Useful Articles.

Appendix (B).

Shot gun.
Sporting rifle not required.
Cricket and tennis kit.
Saddlery to be of use must be suitable for Army ponies up to 14·3.
Uniform saddlery provided.
Full-dress medals and miniatures required.
Civilian clothes required as in the United Kingdom.
There is good fishing in the Jordan, 10-ft. flyrod simplex reel, and small fly spoons recommended.
Small travelling medicines chest with usual drugs.

Enclosure 2 in No. 32.

The War Office,
London, S.W. 1.
15th June, 1926.

0176/237 (F.2.*b*.)

Sir,

1. With reference to your letter dated 4th May, 1926,* I am commanded by the Army Council to state that they concur in the terms of the draft regulations relating to the employment of British Officers with the Trans-Jordan Frontier Force subject to the following observations :—

(i) Paragraphs 3 and 30. Provision is made in some cases for second-class travelling by sea and land. The universal rule is to grant first-class travelling to all Commissioned Officers and their families, and the Council strongly deprecate any departure from this practice.

(ii) It is considered that paragraph 8 should read—" Officers of the Force will rank therein according to their Army rank and seniority."

(iii) The references to the Pay Warrant in paragraph 11 require correction and this paragraph should read—

" . . . in accordance with the provisions of Articles 197(*h*), 203 and 537 of the Royal Warrant for the Pay, &c., of the Army, 1926, such service being classified ' Class A ' under Article 92."

(iv) The following sentence should be added at the end of paragraph 13—" If resignation is accepted and the Officer is supernumerary in his British Regiment he will be liable to be placed on pay equal to half pay until such time as he can be absorbed into the establishment under the provisions of Article 435, Pay Warrant, 1926."

(v) Paragraph 15. After " Regiment " in line 4 the words " when passed medically fit " should be inserted.

(vi) Paragraphs 18 to 20. Presumably these paragraphs will now be revised to include the rates communicated to the High Commissioner in Colonial Office letter, Palestine No. 611, dated 20th May, 1926.†

* C. 5543/26; not printed.

† No. 17.

(vii) Paragraph 22 appears to be contradictory in lines 2 and 8, as regards the provision of married quarters.

(viii) It is considered that paragraph 38 should be amended to follow the wording of the Pay Warrant, and should read—

" *Disabilities attributable to military service.*

38. Officers of the Force who suffer a disability attributable to military service will receive the same treatment as regards disability compensation as they would have received if they had been serving in the British Army at the time of disablement. Where the death of an Officer of the Force is directly attributable to the conditions of service his dependents may claim and receive awards under the rules governing the grant of pensions and allowances to dependents of Officers of the British Army who die in similar circumstances."

It is pointed out that the paragraph as at present worded does not deal with disablement due to disease.

2. The Council desire to take this opportunity of making it clear that pension contributions will be payable under the usual conditions, including those laid down in War Office letter No. 22/R.P./664(F.3) dated 6th September, 1924.*

I am, &c.,
A. E. WIDDOWS.

C. 23330.

No. 33.

PALESTINE.

The HIGH COMMISSIONER to the SECRETARY OF STATE.

(*Received 20th December*, 1926.)

[*Answered by No.* 41.]

(No. 1430.)

Government Offices,
Jerusalem.
7th December, 1926.

Sir,

I have the honour to refer to your despatch No. 1323 dated the 27th of September,† enclosing the copy of a letter from the Air Ministry, and of a memorandum regarding the legal status of the Trans-Jordan Frontier Force.

2. I have considered in Executive Council the amendments suggested in your despatch and in the Air Ministry's letter, and transmit the draft of an Ordinance amending the Frontier Force Ordinance in the majority of these particulars, together with an explanatory note by the Attorney-General, which indicates the reasons for which certain minor amendments were not adopted.

3. With regard to Section 6 (1), I consider it preferable to retain the present period of enlistment of three years.

4. With reference to Section 15 (2) it is not intended that the members of a Court Martial should all be British.

I have, &c.,
PLUMER,
F.M.,
High Commissioner.

Enclosure 1 in No. 33.

An Ordinance to amend the Frontier Force Ordinance, 1926.

Be it enacted by the High Commissioner for Palestine, with the advice of the Advisory Council thereof:

1. This Ordinance may be cited as the Trans-Jordan Frontier Force Ordinance, 1927, and the Frontier Force Ordinance, 1926 (hereinafter called the Principal Ordinance) and this Ordinance may together be cited as the Trans-Jordan Frontier Force Ordinance, 1926–1927. Short title.

* 42683/24 : not printed.

† No. 31.

Amendment of Section 2 of the Principal Ordinance.

2. In Section 2 of the Principal Ordinance:

(*a*) The words "or Warrant Officer" shall be deleted in the definition of Officer; and

(*b*) The following paragraph shall be added:

"Warrant Officer" means a member of the Force holding the rank of warrant officer in the British Military Forces.

Amendment of Section 4 of the Principal Ordinance.

3. Section 4 (1) of the Principal Ordinance shall be repealed and the following shall be substituted therefor:—

"The Force shall consist of a Commanding Officer and such other Officers and Warrant Officers and such number of Non-Commissioned Officers and privates as the High Commissioner, with the approval of the Secretary of State, may from time to time appoint."

Amendment of Section 15 of the Principal Ordinance. Convening Court Martial.

4. Section 15 (1) of the Principal Ordinance shall be repealed, and the following shall be substituted therefor:—

"Subject to the provisions of Section 16, a Court Martial may be convened only by the Officer Commanding the Forces of the Mandatory State in Palestine or Trans-Jordan or by the Commanding Officer."

Amendment of Section 16. Field Court Martial.

5. Section 16 of the Principal Ordinance shall be repealed and the following shall be substituted therefor:—

"A Field Court Martial may be convened by the Officer Commanding the Forces of the Mandatory State in Palestine or Trans-Jordan or the Commanding Officer, or by any Company Officer when in the field, for the trial of any person under his command, if in the opinion of such officer it is not practicable that the offence shall be tried by an ordinary Court Martial."

In subsection (2) the words "Convening Officer" shall be substituted for "Company Officer."

Amendment of Section 18 of the Principal Ordinance. Confirmation of sentence.

6. Subsections (1) and (2) of Section 18 of the Principal Ordinance shall be repealed, and the following shall be substituted therefor:—

"(1) The finding and sentence of a Court Martial, other than a Field Court Martial convened by a Company Officer, shall be submitted for confirmation to the Convening Officer who may either confirm or order a revision thereof, or quash the conviction, or mitigate, remit, commute, or suspend the sentence. The Officer Commanding the Forces of the Mandatory State in Palestine or Trans-Jordan shall further have power to review the finding and sentence of a Court Martial convened by the Commanding Officer and, subject to the provision of the next succeeding subsection, may take such action thereon as he thinks fit. The finding of a Field Court Martial convened by a Company Officer shall be submitted to the Commanding Officer for confirmation.

"(2) If the convicted person is an Officer, or if the Court Martial has inflicted a sentence of imprisonment for a period exceeding one month or any severer penalty, or a sentence including dismissal or discharge from the Force, the Commanding Officer shall submit the finding and sentence to the Officer Commanding the Forces of the Mandatory State who shall have power to confirm the sentence of imprisonment upon a soldier not exceeding six months and in every other case shall refer the finding and sentence to the High Commissioner for confirmation. The High Commissioner may take such action thereon as he thinks fit.

Amendment of Section 25. Deduction from Officer's Pay.

7. Section 25 (2) of the Principal Ordinance shall be repealed and the following shall be substituted therefor:—

"There shall also be deducted such sum as the High Commissioner may direct towards making good either in whole or in part any loss, damage, or destruction of property which after due investigation appears to have been occasioned by any wrongful act or negligence on the part of the Officer, or towards satisfying in whole or in part any public or service debt due from the Officer."

Amendment of Section 26 of the Principal Ordinance. Deduction from Soldier's Pay.

8. (1) Section 26 (*d*) of the Principal Ordinance shall be repealed, and the following shall be substituted therefor:—

"The sum required to make good such compensation for any expenses caused by him or for any loss of or damage or destruction done by him to any arms, ammunition, regimental necessaries, equipment, clothing or instruments, or to any property, whether public or private, as may be awarded by the Commanding Officer or by a Court Martial."

(2) Section 26 (*e*) shall be repealed, and the following shall be substituted therefor:—

"The sum required to pay a fine awarded by a Court Martial or other competent authority or a Civil Court or to satisfy any judgment of a Civil Court."

(3) The following two paragraphs shall be added after paragraph (*g*):—

"(*h*) The sum required to pay any public or service debts as determined by the Commanding Officer. In the case of a deserter or absentee the deduction shall be made in his absence from the sum due to the soldier.

(*i*) Any sum the soldier is required to contribute as a member of a unit towards compensation for damage which after due investigation appears to have been occasioned by any wrongful act or negligence of persons who cannot be identified belonging to the unit."

Amendment of Section 30 of the Principal Ordinance. Part of Ordinance not to apply British Officers and Non-commissioned Officers.

9. Section 30 of the Principal Ordinance shall be repealed, and the following shall be substituted therefor:—

"(1) The provisions of Parts II and III of this Ordinance shall not apply to any British Officer, Warrant Officer or Non-Commissioned Officer in the Force, except where such Officer is specifically mentioned. The British Army Act shall apply to such Officer, Warrant Officer or Non-Commissioned Officer at all times during his service with the Force; subject in the case of any British Officer, Warrant Officer or Non-Commissioned Officer who is not a member of the British Military Forces to such modifications as are specified in Schedule 2 hereto, or as may be made from time to time by Regulation of the High Commissioner under this Ordinance.

(2) Any charge against a British Officer, Warrant Officer or Non-Commissioned Officer shall be referred to the Officer in Command of the Forces of the Mandatory State in Palestine or Trans-Jordan; provided that the Commanding Officer may reprimand a Non-Commissioned Officer."

Amendment of Section 31 of the Principal Ordinance. Application of English Military Law in certain cases.

10. Section 31 of the Principal Ordinance shall be repealed, and the following shall be substituted therefor:—

"If at any time the Force is engaged in operations, whether on active service or otherwise, together with the Military Forces of the Mandatory State--

(*a*) The Officers, Warrant Officers, and Non-Commissioned Officers of the Forces of the Mandatory State shall have powers of command, but not of punishment, in the Force as if they held a rank in the Force equivalent to that held by them in the Forces of the Mandatory State.

(*b*) The provisions of this Ordinance may be suspended by order of the High Commissioner as regards the whole or any part of the Force; and the provisions of the British Army Act may thereupon be applied either to the whole or such part of the Force, with such modifications and exceptions as, with the approval of the High Commissioner, may be prescribed by the orders of the Officer Commanding the Forces of the Mandatory State."

Amendment of Section 33 of the Principal Ordinance.

11. The following paragraph shall be added to Section 33 of the Principal Ordinance, after paragraph (*c*):—

"(*d*) Defining public and service debts due from an Officer or soldier under Sections 25 and 26 of the Ordinance."

ENCLOSURE 2 IN No. 33.

EXPLANATORY NOTE
ON THE TRANS-JORDAN FRONTIER FORCE ORDINANCE, 1927.

Section 2.—This section carries out the recommendation contained in the despatch from the Secretary of State.

It is not considered necessary to insert the title of "Company Commander" in the definition section. Company Officer is defined for the purposes of the Ordinance, and there is no reference in the Ordinance to a Company Officer who has not the powers mentioned in that definition.

Section 3.—This section gives effect to the recommendation of the Secretary of State by which his approval of the members of the Force may be assured.

Section 4.—The recommendation of the Air Ministry, which was approved by the Secretary of State, with regard to the powers of the Commander of the Imperial Forces in Palestine and Trans-Jordan is carried out in this and the following section.

Section 6.—Under the revised scheme of confirming the finding and sentence of a Court Martial, the Officer Commanding the Trans-Jordan Frontier Force will have power of confirming a sentence up to one month's imprisonment; and the Officer Commanding the Forces of the Mandatory State will have the power to review any proceedings of a Court Martial convened by the Commanding Officer, and to confirm a sentence passed on a soldier not exceeding six months' imprisonment. Any sentence passed on an Officer and any sentence passed on a soldier exceeding six months' imprisonment or involving dismissal or discharge from the Force will be submitted to the High Commissioner.

Section 7.—The power of stopping the pay of an Officer is widened so as to cover a sum required for compensation for destruction of any property, whether Government or private property, and also for satisfying any public or service debt due from the Officer. Section 11 of the Amending Ordinance gives power to define what is a public or service debt.

Section 8.—The power of imposing stoppages of pay of soldiers is further extended so as to cover—

(*a*) sums due on account of any destruction of property, whether public or private, for which the soldier is held responsible;

(*b*) a sum required to satisfy a judgment of the Civil Court;

(*c*) a sum required to pay any public or service debt; and

(*d*) a sum due for compensation for damage done by a unit to which the soldier belongs, where the actual perpetrators of the damage cannot be discovered.

Section 9.—The wording of the original clause has been amended so as to make it clear that the modified application of the Army Act will affect only British Officers and Non-Commissioned Officers who are not members of the regular Forces. At the same time it is considered that the power of introducing modifications in the Army Act in relation to such persons should be maintained, because the Government might need to enrol as Officers and Non-Commissioned Officers of the Force in times of emergency British civilians who could not immediately be taken, or who might not be willing to be taken, on the British Reserve of Officers or the Army Reserve. For these persons it is considered desirable that the powers exercised under the Army Act by the Army Council should be exercised by the High Commissioner. In the Routine Order issued by the Air Officer Commanding in 'Iraq, dated 17th February, 1925, which applies the Army Act to the 'Iraq levies, provision is made to vest in the High Commissioner, with regard to native Officers, the powers exerciseable by the Army Council under the Imperial Act.

In Subsection (2) the Commanding Officer of the Frontier Force is given power to reprimand a British Non-Commissioned Officer. That power was omitted in the original Ordinance; but it is desirable that the Officer Commanding should exercise it.

Section 10.—The amendment of Section 31 of the original Ordinance has been made so that the provision may conform more closely with the terms of Article 177

of the British Army Act. Paragraph (*a*) specifically gives to the Officers and Non-Commissioned Officers of the Imperial Forces powers of command, but not of punishment, in the Frontier Force as if they held a rank in the Force equivalent to that which they hold in the Imperial Forces.

N. BENTWICH,
Attorney-General.

C. 23330.

No. 34.

PALESTINE.

COLONIAL OFFICE to AIR MINISTRY.

[*Answered by No.* 35.]

Downing Street,
11th January, 1927.

SIR,

I AM directed by Mr. Secretary Amery to refer to the letter from this Department of the 28th of September, 1926,* regarding the legal status of the Trans-Jordan Frontier Force and to transmit to you, to be laid before the Air Council, the accompanying copy of a despatch† from the High Commissioner for Palestine, forwarding the draft of an Ordinance to amend the Frontier Force Ordinance, 1926, together with an explanatory note by the Attorney-General.

2. Mr. Amery would be glad to be furnished with any observations which the Council may have to offer on the draft Ordinance.

I am, &c.,
J. E. SHUCKBURGH.

C. 44467/27. **[No. 1.]**

No. 35.

PALESTINE.

AIR MINISTRY to COLONIAL OFFICE.

AIR MINISTRY,
London, W.C.2.
26th April, 1927.

SIR,

I AM commanded by the Air Council to acknowledge the receipt of Sir John Shuckburgh's letter of the 11th of January,‡ with enclosures, and to request you to inform the Secretary of State for the Colonies that they concur in the draft Ordinance to amend the Frontier Force Ordinance, 1926, subject to the remarks in the succeeding paragraphs.

2. Section 6 of the draft does not carry out the intention of the memorandum enclosed with this department's letter of the 3rd of August§ and approved in Mr. Amery's despatch of the 27th of September (Palestine No. 1323)‖ since the Air Officer Commanding is given powers of confirmation in respect of no Courts Martial on Officers and in respect of Courts Martial on men only if a sentence no more severe than six months' imprisonment is imposed. The Air or General Officer Commanding in a colony or mandated territory is, under the Air Force and Army Acts, eligible to confirm all sentences of Courts Martial held under those Acts, although after confirmation sentences of death other than on active service and sentences of penal servitude for civil (as distinct from military) offences require the approval of the Governor or High Commissioner. These powers are held by the Air Officer Commanding in Palestine as regards Air Force and Army units and as regards British personnel of the Frontier Force. They are held as regards both British and native personnel of the 'Iraq Levies by the Air Officer Commanding, 'Iraq. The Air Council consider it undesirable in principle and inconvenient in practice that lesser powers should be held by the Air Officer Commanding in respect

* C. 15223/26: not printed. † No. 33.
‡ No. 34. § Enclosure in No. 31. ‖ No. 31.

of native personnel of the Frontier Force. They recommend, therefore, that both the High Commissioner and the Air Officer Commanding should have full powers of confirmation and that the latter, while dealing finally with Courts Martial in all ordinary cases, should have discretion to refer proceedings to the former for confirmation. In addition to confirmation by the Air Officer Commanding, sentences of death, unless awarded by a Field Court Martial, should require the approval of the High Commissioner. There is no occasion to require a similar approval for any sentences awarded for civil offences since the Frontier Force Ordinance does not provide for trial of civil offences by Court Martial. (Mr. Amery's attention has been drawn to this fact in connection with the proposed Trans-Jordan agreement.) A rough re-draft of Section 6 is attached hereto, in which, while the above principles have been embodied, opportunity has been taken to remedy a certain looseness and obscurity in the existing draft.

3. Section 9 of the draft contemplates the creation in emergency of a special class of locally commissioned British Officers, a course which, in the opinion of the Air Council, is likely to lead to difficulty. Such Officers would have no authority over the regular forces with whom they would be required in the emergency contemplated to co-operate and it would probably be necessary to re-gazette them to Army commissions as was done in the case of locally commissioned officers in the late war. It would be much preferable, in the Air Council's opinion, that such officers should immediately receive temporary Army or Army Reserve commissions for the duration of the emergency and the Council see no reason to doubt that the granting of such commissions could be arranged by telegraph or that candidates willing to serve would accept them. The same considerations apply, though with somewhat less force, to locally enlisted British Warrant and Non-Commissioned Officers. If Mr. Amery accepts the Air Council's view on this question the second sentence of section 9 (1) of the draft can be omitted and schedule II of the original Ordinance repealed.

4. There is some ambiguity in the words in section 10 of the draft :—" engaged in operations, whether on active service or otherwise, together with." It would be preferable in the Air Council's opinion that the well-understood wording of section 184A of the Army Act should be followed and that the section should read :—" If at any time the Force is acting with the Military Forces of the Mandatory State."

I am, &c.,

J. A. WEBSTER.

ENCLOSURE IN NO. 35.

ROUGH DRAFT OF SECTION 6.

6. Section 18 of the Principal Ordinance shall be repealed, and the following shall be substituted therefor :—

(1) The finding and sentence of a Court Martial, other than a finding of acquittal, shall be of no effect until confirmed.

(2) The following authorities, namely, the High Commissioner, the Officer Commanding the Forces of the Mandatory State, and the Commanding Officer, shall have power to confirm the finding and sentence of a Court Martial; provided that the Commanding Officer shall not exercise the power of confirmation in respect of any Court Martial (other than a Field Court Martial) which has passed sentence on an Officer or has passed on a man sentence of death, penal servitude, imprisonment for a term exceeding one month or discharge from the Force.

(3) A confirming authority may confirm the finding and sentence of a Court Martial or may refuse confirmation or may withhold confirmation to a superior confirming authority or may send back the finding or sentence or both for revision by the Court; provided that the Court shall not on such revision have power to increase a sentence.

(4) A confirming authority may, when confirming the sentence of a Court Martial, mitigate or remit the punishment thereby awarded or may commute such punishment for any less punishment to which the offender might have been sentenced by the Court.

(5) A confirming authority may order that any confirmed sentence shall be executed forthwith or may suspend for such time as seems expedient the execution of the sentence; provided that a sentence of death, unless awarded by a Field Court Martial, shall not be carried into effect until approved by the High Commissioner.

(6) The following authorities, namely, the High Commissioner and the Officer Commanding the Forces of the Mandatory State, shall have power to review the proceedings of a Court Martial at any time after confirmation of the finding and sentence, or to review the proceedings of a summary trial by the Commanding Officer or a Company Officer.

(7) A reviewing authority may annul the conviction of a person on any or all of the charges on which he has been convicted by Court Martial or on summary trial and may relieve him of all the consequences of his trial on such charge or charges; or may mitigate or remit the punishment awarded; or may commute such punishment for any less punishment to which the offender might have been sentenced.

C. 44164/27. [No. 10.]

No. 36.

PALESTINE.

The HIGH COMMISSIONER to the SECRETARY OF STATE.

(*Received* 16*th May*, 1927.)

[*Answered by Nos.* 37 *and* 38.]

(Confidential.)

Government Offices,
Jerusalem.
4th May, 1927.

SIR,

I HAVE the honour to submit for your consideration the proposal that a semi-permanent camp should be constructed at Zerka, Trans-Jordan, for the Trans-Jordan Frontier Force and that the Headquarters of the Force should be located there and not at Amman as at present proposed.

2. The advantages to be gained by selecting Zerka as the permanent camp site for the Force are :—

(*a*) It would be possible to erect, immediately, temporary hutting for the men, and semi-permanent movable stables which would obviate the necessity for moving the Force to winter quarters in the Jordan Valley, thus saving a considerable sum, estimated to be about £E.5,000 in transport and travelling, and avoiding serious loss and damage to stores.

(*b*) The horses would be under cover throughout the year and consequently expenditure in line gear and the number of minor casualties would be reduced.

(*c*) Tentage at present in constant use in a country subjected to frequent high winds could be stored until required for operations, and depreciation in tentage avoided.

(*d*) There are a suitable and extensive training area and a landing ground adjacent to the camp; water services are already laid and in operation and there would be no necessity to renew them for the permanent lines.

(*e*) Good bathing facilities and abundant water for all purposes exist on the spot.

3. If the scheme is adopted immediately it will be possible to take over and transport to Zerka the hutting available at the Sarafand cantonments at a cost shown in the attached estimates.

I also transmit a statement showing the permanent buildings which would be necessary, and their estimated cost. If the execution of the scheme is postponed, the hutting at Sarafand will not be available as the Royal Air Force have already made arrangements to dispose of it by open sale. I enclose a copy of a letter dated the 4th of May, which I have addressed to the Air Officer Commanding, Royal Air Force, Middle East, requesting the postponement of the sale of the hutting at Sarafand until I have had time to receive your decision on my present proposal.

4. I have kept in mind the possibility that at some future date the character of this Force may change in the direction of its becoming a more integral part of the public security forces of the Trans-Jordan Government. In that event, it would doubtless be necessary to move the Headquarters of the Force to a point nearer to the capital. The buildings which it is proposed to erect at Zerka will therefore be so constructed that they can be dismantled and removed to any other place.

5. The question of the suitability of the site from a health point of view has been thoroughly investigated and the Director of the Department of Health has expressed the opinion that it is suitable, subject to the continual employment of a squad of four labourers on anti-malarial clearance work.

6. Provision has been made in the draft estimates for 1927, under Public Works Extraordinary, for the expenditure of £E.25,000 on the construction of permanent Headquarters for the Force at Amman and I recommend that that sum be devoted to the construction of the camp at Zerka.

7. I shall therefore be grateful if you will approve the Zerka programme in principle and sanction its execution during 1927, if funds are available for the purpose. It is a matter of urgency that your approval be given at the earliest moment in order that, if approved, the actual work can be completed before next winter puts an end to building operations.

I have, etc.,

PLUMER,
F.M.
High Commissioner.

ENCLOSURE 1 IN No. 36.

PROPOSAL TO ACCOMMODATE TRANS-JORDAN FRONTIER FORCE AT ZERKA.

Hutting required for :—

9 British Officers.
16 Local Officers.
10 British Warrant Officers.
534 Other Ranks at 45 ft. super floor space per man.

Detail of Hutting required.

	Feet Lineal of 18′ 0″ Span hutting.
Quarters for 9 British Officers	135
Quarters for 10 British Warrant Officers	120
Quarters for 16 Local Officers	192
Quarters for 534 Other Ranks	1,360
Hospital (additional to existing)	60
Saddle Rooms (three)	180
	2,047

Estimate.

	£E.
Take down at Sarafand, transport to Zerka, and re-erect hutting as above, including provision of 3″ P.C.C. floors and necessary founds.	
No. 69 huts, each 30′ × 18′ at £E.50	3,450
Increase accommodation in Officers' and British Warrant Officers' Messes :	
No. 3 huts each 30′ × 18′ at £E.50	150
Total	3,600

	£E.
Add 10 per cent. for contingencies : repairs to hutting, &c.	360
	3,960
Add 15 per cent. Departmental expenses	594
	£E.4,554

ENCLOSURE 2 IN No. 36.

PERMANENT BUILDINGS WHICH MAY BE PROVIDED OUT OF 1927–28 ALLOTMENT, IF IT IS DECIDED TO ADOPT PORTABLE STRUCTURES.

		£E.
Amount of Allotment		25,000
Deduct Departmental expenses		3,261
		21,739
Deduct Travelling and Subsistence, say		239
	Available	£E.21,500

		£E.
1. *Stables*	589 stalls at £E.23 per stall	13,547
2. *Forage Barn*	Steel shed with open sides and ends, affording 300 M.2 floor space with P.C.C. floor at £E.3.00 per M.S.	900
3. *Granary*	Steel framing and corrugated iron structure, closed in, with P.C.C. floor. Plinth area M.S. 47 at £E.4 per M.S.	188
4. *Farrier's Shop*	Four required, each affording 32 M.2 floor space. Plinth area = M.S. 128 at £E.3.00 = £E.384.	
	Allow for portable forges, 8 at £E.12 = £E.96	480
5. *Garage*	Six bays : construction as for stables, 20.00 × 7.50 = M.S. 150 at £E.3	450
6. *Stores, etc.*	Construction as for forage barn, but with sides filled in and racks provided. Plinth area M.S. 600 at £E.4 per M.S.	2,400
7. *E.L. Plant*	In portable building, with necessary mains, wiring, etc., allow	2,000
8. *Drainage to Stables, &c.*	Allow	500
9. *Acquisition of Land*	Allow	500
		20,965
	To remain for contingencies	535
		£E.21,500

Existing temporary water supply to be used until such time as further funds are available.

ENCLOSURE 3 IN No. 36.

SIR, 4th May, 1927.

I HAVE the honour to inform you that I understand that instructions have been given that all temporary Royal Air Force hutting at Sarafand is to be disposed of immediately. As you are aware, I have a scheme under consideration whereby the Trans-Jordan Frontier Force would be stationed all the year round in a semi-permanent camp at Zerka instead of having the Headquarters of the Force at Amman as previously proposed.

2. The proposals are being referred to the Secretary of State for the Colonies for his consideration, and, if they are approved, hutting of the type available at Sarafand will be required immediately. I shall be grateful therefore if you will postpone until the beginning of July the sale of the hutting in question. I hope to have had a reply from the Secretary of State by that date and if the reply was favourable and the huts had been disposed of in the meanwhile, considerable inconvenience and extra expense would be entailed.

3. I trust that you will find it possible to accede to my request in this matter.

I have, etc.,

PLUMER,
F.M.
High Commissioner.

The Air Officer Commanding,
Royal Air Force,
Middle East, Cairo.

C. 44164/27. [No. 16.]

No. 37.

PALESTINE.

The SECRETARY OF STATE to the OFFICER ADMINISTERING THE GOVERNMENT.

(*Sent* 2.45 *p.m.*, 20*th June*, 1927.)

TELEGRAM.

No. 120.—Your Confidential despatch of 4th May.* I approve proposals for construction of semi-permanent camp at Zerka for Trans-Jordan Frontier Force.—AMERY.

C. 44164/27. [No. 22.]

No. 38.

PALESTINE.

The SECRETARY OF STATE to the OFFICER ADMINISTERING THE GOVERNMENT.

(*Sent* 5.10 *p.m.*, 8*th July*, 1927.)

TELEGRAM.

[*Answered by No.* 39.]

No. 135. Your despatch Confidential 4th May,* Zerka. It appears that total cost of scheme will exceed £E.25,000 mentioned. Stabling, &c., as shown in enclosure will absorb this sum and a further £E.7,084 is required for accommodation for personnel and £E.1,200 for electric light additions *vide* Airworks telegram 21st June.

You should confirm above figures as being complete estimate or revise immediately and state how much can be spent to 31st March. In the meantime I have agreed with Air Ministry that works should proceed and they are authorising Air Works accordingly. Imperial grant of £42,000 for Trans-Jordan Frontier Force for 1927 cannot be increased.—AMERY.

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*No. 36.

C. 44164/27. [No. 26.]

No. 39.

PALESTINE.

The OFFICER ADMINISTERING THE GOVERNMENT to the SECRETARY OF STATE.

(*Received 9th August*, 1927.)

(Confidential C.)

Government Offices,
Jerusalem.
29th July, 1927.

SIR,

I HAVE the honour to refer to your telegram No. 135 dated the 8th of July* with regard to the construction of semi-permanent accommodation at Zerka for the Trans-Jordan Frontier Force and to inform you that the complete estimate for the services to be carried out at Zerka during the current financial year is £E.32,084 and not £E.33,284, the figure telegraphed by the Air Ministry to the Senior Works and Buildings Officer of the Royal Air Force at Sarafand (as in the accompanying copy of a paraphrase) and implied in your telegram under reference.

2. The difference of £E.1,200 is in respect of the provision for electric light. This provision, however, is not now additional to the estimate of £E.25,000 but can be found from that amount by reason of savings which are explained in the following paragraphs of this despatch.

3. I have decided to retain a Company of the Force at Samakh during the coming winter and also to purchase, and re-erect at Zerka, stabling of the 9th Lancer lines at Sarafand. A copy of a report dated the 3rd of July, by the District Engineer, Southern District with regard to the stabling is transmitted herewith and I have authorised its taking over, against receipt, pending completion of the formal transaction of sale.

In that connection I should be grateful if you would convey to the Air Ministry, on behalf of this Government, an offer to purchase the stalls at a price of £E.2 per stall.

4. The retention of the Company at Samakh during the winter and the use of the stabling of the 9th Lancer lines will reduce the estimate of £E.25,000 by £E.6,764 as follows :—

	£E.
(1) Reduction of number of stalls at Zerka from 589 to 421	3,864
(2) Utilising 9th Lancers' stabling, after allowing for purchase and reconditioning	2,900
	£E.6,764

Of this amount I intend to apply £E.4,263 to the following urgent items :—

	£E.
Electric lighting installation	1,200
Anti-malaria measures	1,200
Improved type latrines	120
Wooden married quarters for Officer Commanding and Second in Command	1,593
Stoves for Officers' quarters and mens' barracks	150
	£E.4,263

I will submit proposals for the application of the balance, if realised, in due course.

5. With regard to wooden hutting accommodation for men, the estimate which accompanied Lord Plumer's Confidential despatch of the 4th of May† was £E.4,554, but it has had to be increased to £E.7,084 to provide for the waterproofing of the huts.

For this amount of £E.7,084 it will be necessary to issue a Special Warrant and the expenditure will fall to be borne by Palestine funds. Were this amount

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* No. 38. † No. 36.

not expended at Zerka it would have had to be expended on the transport of the Force from Zerka to and from the Jordan Valley in the winter.

I fear that no savings on the Vote of the Force will be available to offset this expenditure of £E.7,084, because of the heavy charges incurred in connection with the movement of a detachment of the Force to and from Azrak.

6. It may become necessary in 1928 to provide for the construction of accommodation there for the men and animals of the Company which is to be retained at Samakh during the coming winter.

7. All services included in the estimate of £E.32,084, are now in hand and the Senior Works and Buildings Officer anticipates that they will be completed by the 31st of March, 1928.

I have, &c.,
G. S. SYMES,
Officer Administering
the Government.

ENCLOSURE 1 IN No. 39.

From: Air Ministry, London.
To: Airworks, Sarafand.

TELEGRAM.

Secret.

9th July, 1927.—The work for the Trans-Jordan Frontier Force at Zerka is approved and may be proceeded with.

£E.25,000 for buildings of a permanent nature plus £E.1,200 additional for electrical lights and £E.7,084 for hutting makes a total of £E.33,284.

Accommodation for Officers and men and stables are needed most, it is suggested by Colonel Bewsher. So that these may be available before next winter they should be given priority.

Distribution,
Signals.
Airworks, Sarafand.

ENCLOSURE 2 in No. 39.

3rd July, 1927.

DIRECTOR OF PUBLIC WORKS.

Subject:—Stabling for Trans-Jordan Frontier Force, Zerka.

Reference:—10153/27 dated 27th June, 1927, from Chief Secretary to Director of Public Works.

I have consulted with the Officer Commanding Trans-Jordan Frontier Force and Senior Works and Buildings Officer with reference to the utilising of 9th Lancers' stabling for Zerka Camp, and recommend that:—

(*a*) The last erected stabling, providing accommodation for 240 horses, should be transported to Zerka and re-erected with the additions suggested by the Officer Commanding Trans-Jordan Frontier Force in his letter of 24th June, 1927, to Chief Secretary.

(*b*) That the best of the remaining stables should be taken over to provide a further 181 stalls constructed on the same lines as indicated in (*a*) above.

It being understood that the present wooden mangers will be replaced by iron fixtures in all stalls, if possible before occupation and in any case as soon as possible thereafter, and that gable ends of stables will be weather-proofed.

2. Air Ministry have already advertised these buildings for sale and it is very improbable that more than £E.1 per stall would be realised by local disposal.

I recommend that Government should offer double this figure, viz., £E.2 per stall and request that you authorise the Senior Works and Buildings Officer to remove these structures at once, pending decision as to the price to be paid, otherwise it will be impossible to get the horses under cover before winter.

3. Regarding the actual type of building and material the Officer Commanding Trans-Jordan Frontier Force states that His Excellency the High Commissioner was not in favour of re-transferring stabling which had already been moved from Jenin as he was under the impression that they were in bad condition. I have examined these structures and have arrived at the conclusion that they are in sufficiently good condition to warrant removal. Furthermore, these stables have each a central gangway for horses and the sides can therefore be completely closed in without difficulty. The stables at Jenin are of a different type and will have to be entirely reconstructed to enable the sides to be closed. Utilising the 9th Lancers' stables will obviate any necessity to use Jenin stabling, with its attendant reconstruction.

4. I append a statement showing anticipated savings and considered suggestions as to how these savings should be utilised. It should be remembered that these figures are only tentative and the anticipated savings may vary during the progress of the work.

R. HEDLEY.
District Engineer,
Southern District.

ANTICIPATED SAVINGS ON ESTIMATE CONTAINED IN HIS EXCELLENCY THE HIGH COMMISSIONER'S DESPATCH CONFIDENTIAL OF 4TH MAY, 1927.*

	£E.
Reduction of stalls from 589 to 421 owing to one Company being stationed at Samakh	3,864
Utilising existing 9th Lancers' stabling, after allowing for purchase and reconditioning	2,900
Total	£E.6,764

LIST OF SERVICES, ARRANGED IN ORDER OF PRIORITY, FOR THE UTILISATION OF THE ABOVE SAVINGS.

	£E.
(1) Anti-malarial works - - - - - - say	1,200
(2) Sanitation, provision of improved type of latrine as required by D.P.H.	120
(3) Two married quarters (wooden huts) for Officer Commanding and Second in Command, not included in original estimate, *vide* letter No. 8464/27 of 9th June, 1927 C.S. to Officer Commanding Trans-Jordan Frontier Force	1,593
(4) Provision of coal or wood-burning stoves to heat messes, quarters and barracks	150
(5) Extension of electric lighting installation to whole camp (additional to £E.2,000 allowed for in original estimates)	1,200
(6) Recreation room one 60 ft. room in concrete construction as at Sarafand, in place of two wooden mess rooms	739
(7) Regimental guard room, detention room and cells in concrete construction as at Sarafand	750
(8) British Officers' Mess in concrete construction as at Sarafand	2,754
Total	£E.8,506

R. HEDLEY.

Note.—Figures supplied by Senior Works and Buildings Officer.

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* No. 36.

C. 44341/27. [No. 10.]

No. 40.

PALESTINE.

THE SECRETARY OF STATE to the OFFICER ADMINISTERING THE GOVERNMENT.

Confidential (D.)

Downing Street,
11th August, 1927.

SIR,

I HAVE the honour to refer to Lord Plumer's despatch confidential "B" of the 23rd of March, 1926,* forwarding drafts of Conditions of Service of British Warrant Officers and British Sergeants, and of non-European personnel in the Trans-Jordan Frontier Force, and also drafts of regulations relating to the grant of extra pay, to the issue of forage, and to the enrolment of horses and camels.

2. Taking first the conditions of service for British Warrant Officers and British Sergeants, I am of the opinion that conditions based generally on those approved for the British Officers serving in the Force, and including information on such points as period of service, passages, etc., would be more suitable for adoption than the draft conditions forwarded with Lord Plumer's despatch. A revised draft has accordingly been prepared on those lines, and is enclosed herewith for your consideration. I shall be glad if you will furnish me in due course with any observations you may have to offer on the revised draft.

3. You will observe that no provision is made in the revised draft for the grant of free quarters and field allowance, or for a free issue of clothing. It is not clear why provision was made in the original draft Conditions for the grant of free quarters, having regard to the fact that the personnel concerned are serving on consolidated rates of pay, which are intended to cover that privilege. A paragraph similar to that in the Officers' Regulations, providing for the payment of rent in respect of accommodation provided by the Government, has accordingly been included in the revised draft.

4. The reference, in paragraph 8 of the draft, to the conditions on which field allowance is granted to Officers is not clearly understood. The Officers' Regulations do not provide for the grant of field allowance, as such. They do, however, provide for a reduction in the normal rate of rent for any period spent under canvas or in temporary hutments, and I see no objection to a similar reduction being made in the case of British Warrant Officers and British Sergeants. The necessary provision has accordingly been made in the revised draft. I do not consider that field allowance should be granted in addition to a reduction in the rate of rent.

5. As regards the question of the grant of a free issue of clothing, I should be glad to be furnished with further information as to the Clothing Regulations referred to in paragraph 10 of the draft Conditions, and the articles which would be included in a free issue. As a uniform allowance is granted to the British Officers on first appointment, there is some case for the grant of a free issue of tropical clothing to British Warrant Officers and British Sergeants on first appointment to the Force, but the articles comprising the free issue should be specified in the Regulations. In the case of the 'Iraq Levies the free issue granted to a British Warrant Officer or Non-Commissioned Officer on first appointment comprises one bag—clothes, two frocks—khaki drill, two trousers—khaki drill. You may consider it desirable to adopt this scale for British Warrant Officers and Sergeants appointed to the Trans-Jordan Frontier Force. No further free issue of clothing should, however, be made after the initial issue on first appointment.

6. I also enclose a revised draft of the Conditions of Service for non-European personnel of the Frontier Force. Except in one or two instances, the revised draft does not differ, in substance, from the draft forwarded with Lord Plumer's despatch. The principal amendment which has been made is in the provision relating to the grant of Proficiency Pay, Good Conduct Pay, and Artificer Pay. These additional emoluments have been replaced in the revised draft by Proficiency Pay and Trade Pay only. I will explain the reason for this amendment when dealing with the draft regulations governing the grant of extra pay which were enclosed with your despatch.

* C.7550/26: not printed.

7. The provision in paragraphs 11 and 12 of the draft conditions relating to the grant of free railway warrants for families, and to the grant of field allowance, have been omitted in the revised draft. I am not clear as to the necessity for granting the former privilege, and I shall be glad to be furnished with further information on this point. I shall also be glad if you will inform me of the rate at which it is proposed to grant field allowance to non-European Officers, and in this connection, I would invite reference to the remarks in paragraph 4 of this despatch.

8. It appears to be desirable to insert a paragraph in the revised draft specifying the period of appointment in the case of non-European Officers, and the period of enlistment in the case of non-European other ranks. You will doubtless cause a paragraph to be inserted accordingly.

9. The rates of pay set out in paragraph 1 of the original draft have been retained in the revised draft, but the War Office have pointed out that the rate proposed for Troopers is high compared with the pay drawn by native privates in other parts of the world. These rates vary from 1*s.* to 1*s.* 6*d.* per day with all found, including rations. The rate specified in the draft Conditions for a Trooper is approximately 4*s.* per diem, but he is not provided with free rations, and he also has to provide either a horse or a camel for duty. As, however, he probably recovers the cost of the animal by way of depreciation allowance, this liability need not be taken into account for the purpose of drawing a comparison as between the respective rates of pay and, after making due allowance for the fact that rations are not provided, his rate of pay is still somewhat in excess of that drawn by natives in other parts of the world. The rates of pay for the other non-European ranks, including Officers, also appear to be rather high, and I should be glad if you would consider the possibility of effecting a reduction in the rates of pay of all non-European ranks in the future, and furnish me with your views on the question. I assume that the personnel now serving with the Force have been engaged or enlisted for a definite period on the rates of pay set out in the approved Conditions, and that there can accordingly be no question of making an immediate reduction in those rates.

10. As regards the draft Regulations governing the award of Good Conduct Pay, Proficiency Pay and Artificer Pay, the War Office, to whom the Regulations were referred, have pointed out that Proficiency Pay and Good Conduct Pay are never issued concurrently in the British Army. Generally speaking, Proficiency Pay is granted in the British Army to soldiers who attain a certain standard of professional and educational proficiency, and although Good Conduct Badges are awarded, they carry no extra pay, except in one or two cases where Proficiency Pay is not granted. Tradesmen in the British Army are not eligible for the grant of Proficiency Pay, but they are, however, granted a special higher rate of pay, known as "Tradesmen's Pay," when they have passed the necessary trade test and have been mustered as Tradesmen in an approved establishment. This system has been adopted in the case of the West African Frontier Force in regard to Proficiency Pay and Good Conduct Badges.

11. It appears from the draft Regulations forwarded with Lord Plumer's despatch that the term "Proficiency Pay" is not used in the same sense as in the British Army Regulations, inasmuch as the Frontier Force Regulations provide for the grant of Proficiency Pay to tradesmen as well as to non-tradesmen. It appears to be desirable to make a clear distinction as between tradesmen and non-tradesmen for the purpose of the grant of extra pay, and in all the circumstances, I would suggest that the general principles on which such extra pay is granted in the British Army should be adopted in the case of the Trans-Jordan Frontier Force, except that, as a matter of convenience, extra pay in addition to the normal rates of pay might be granted to tradesmen on qualification, instead of special rates of tradesmen's pay, as in the British Army.

12. The adoption of the above suggestions will necessitate the enactment of regulations providing for (*a*) the grant of Proficiency Pay, (*b*) the grant of Trade Pay, and (*c*) award of Good Conduct Badges, without extra pay.

13. As regards (*a*) I enclose a copy of a despatch addressed to the Governor of Nigeria, dated the 5th of June, 1926, setting forth the conditions of eligibility for the grant of Proficiency Pay in the West African Frontier Force. These conditions are probably unsuitable for adoption, in their entirety, in the case of the Trans-Jordan Frontier Force, but regulations might be drawn up on those lines for the grant of Proficiency Pay to native ranks of the latter Force.

14. Regulations for the grant of Trade Pay might be drawn up on the lines of the draft Proficiency Pay Regulations forwarded with Lord Plumer's despatch. The categories mentioned under (6), (7) and (8) should, however, be omitted, as the native ranks included in those categories will be eligible for the grant of Proficiency Pay. I consider that Category (12), viz., Lance-Corporals who have qualified for promotion to Corporals and are approved by a Board of Officers should also be omitted from the Trade Pay Regulations. If it is considered desirable to grant extra pay to such personnel, Proficiency Pay would appear to be more suitable than Trade Pay and the necessary provision could be made in the Proficiency Pay Regulations. The draft Regulations for the grant of Artificer Pay will be unnecessary, in view of the provision in the Trade Pay Regulations for the grant of Trade Pay to the personnel concerned. In this connection I may observe that I do not consider that personnel in the categories in question, viz., Mechanical Transport Drivers, Wireless Telegraph Personnel and Pioneers should be eligible for Artificer Pay at the rate of £E.1.250 m/ms per mensem and also for Proficiency Pay at the same rate, as was proposed in the draft Regulations forwarded with Lord Plumer's despatch.

In connection with these Regulations the Army Council have suggested that if the employment of Tamurgis is hospital orderly duty, for which no particular medical knowledge is required, the men so classified should, following the practice in the British Army, be eligible for the grant of Proficiency Pay only and not for Trade Pay; and, further, that Veterinary Dressers should be treated similarly. These two categories are included as Nos. (3) and (4) in the draft Proficiency Pay Regulations forwarded with Lord Plumer's despatch, and in view of the practice in the British Army, I consider that they should be omitted from the proposed Trade Pay Regulations, unless there are special reasons for their inclusion.

15. The draft Good Conduct Pay Regulations forwarded with Lord Plumer's despatch could be used as a basis for the Regulations referred to at (*c*) in paragraph 11 of this despatch, but it would be necessary to delete all reference to the grant of extra pay, and to retain only the provisions relating to the award of Good Conduct Badges.

Soldiers of the Trans-Jordan Frontier Force are eligible for Good Conduct Badges every two years in accordance with the above draft Regulations. The Army Council have pointed out that British soldiers become eligible for a badge after 2, 5, 12, 18, 23, 28 and each successive 5 years, there being no limit to the number of badges that may be granted. British non-European soldiers may be granted badges after 3, 6, 12, 18, etc., years' service. Further, that no reference is made to the forfeiture of all badges when a soldier is discharged with ignominy, as is provided for in the case of British soldiers, so that such a soldier re-enlisting could claim the restoration of such badges unless the offence culminating in discharge of itself entailed forfeiture of badges. These points will doubtless be borne in mind when the revised Regulations for the grant of Good Conduct Badges are being drafted.

16. I have no comments to offer on the draft Regulations governing the issue of Forage which were forwarded with Lord Plumer's despatch.

17. As regards the draft Regulations for the enrolment of Horses and Camels, I would suggest that the words "or such date as may be found appropriate" in lines 3 and 4 of paragraph 2 should be omitted. If, however, it is undesirable to lay down definite dates for fixing the maximum amount up to which a horse may be valued on enrolment, the words "semi-annually on the 1st of January and 1st of July" should also be deleted and the words "from time to time" inserted in their place. I would also suggest that paragraph 11 (*a*) should be amended to read as follows:—

> "Where the owner of an enrolled horse has obtained a loan from the Government to enable him to purchase it, the loan shall be refunded without interest in equal monthly instalments at a rate of not less than £E.2 per month, which instalments shall be deducted from his pay as it accrues due. The owner shall enter into an agreement with the Government as to the terms on which the advance is to be repaid, and such agreement shall provide that, in the event of the owner being dismissed from or leaving the Force, or dying before the advance has been repaid, the horse shall be disposed of

> by Government; the outstanding amount of the advance being recovered from the proceeds before they are handed over to the owner or the legal personal representative of the estate, as the case may be."

It appears to be preferable to apply the Regulations to the enrolment of camels by means of a further numbered paragraph rather than by a note as in the draft Regulations. I would therefore suggest that the note should be deleted and that the following paragraph should be added after paragraph 11.

> "12. The provisions of these Regulations shall also apply to the enrolment of privately-owned camels, in cases where the member of the Force is required to provide himself with a camel instead of a horse."

The Army Council have suggested that information in regard to the provision of personal equipment, saddlery, and the shoeing of horses should be embodied in the Regulations. I shall be glad to be furnished in due course with a draft amendment to the Regulations giving effect to this suggestion.

Subject to the foregoing observations, I approve the draft Regulations for the enrolment of horses and camels.

18. I take this opportunity to acknowledge the receipt of Lord Plumer's despatch Confidential "A," of the 13th of December,* and to express my regret that it has not been possible to return a reply to his despatch of the 23rd of March† at an earlier date.

I have, etc.,
(for the Secretary of State)
W. ORMSBY GORE.

ENCLOSURE 1 IN No. 40.

REVISED DRAFT REGULATIONS OF SERVICE OF BRITISH WARRANT OFFICERS AND BRITISH SERGEANTS IN THE TRANS-JORDAN FRONTIER FORCE.

1. A candidate for appointment as a British Warrant Officer or British Sergeant in the Trans-Jordan Frontier Force must for the future:—

> (*a*) be a Warrant or Non-Commissioned Officer of the Regular Army;
> (*b*) at the date of appointment, be not less than 22 nor, except in the case of a Warrant or Non-Commissioned Officer who has already served in the Force, more than 32 years of age;
> (*c*) be unmarried on first taking up the appointment. In special cases exceptions may be made to this rule, but generally, married Warrant or Non-Commissioned Officers will not be selected for appointment if unmarried Warrant or Non-Commissioned Officers are available.

2. A Warrant or Non-Commissioned Officer wishing to marry whilst seconded for service with the Force must first notify the High Commissioner, through the usual channels of communication, of his intention, such notification being held to carry with it the resignation by the Warrant or Non-Commissioned Officer of his appointment in the Force, which the High Commissioner shall have absolute discretion to accept or refuse.

3. Warrant or Non-Commissioned Officers are selected for appointment by the Secretary of State for the Colonies on the recommendation of the Army Council. Applications by Warrant or Non-Commissioned Officers for appointment should be submitted to the War Office through the usual channels of communication.

4. When the Warrant or Non-Commissioned Officer has been appointed, he will receive instructions from the Colonial Office as to the date on which he should be prepared to embark for Palestine.

5. In the absence of a statement by the Warrant or Non-Commissioned Officer to the contrary, which should be made on first application for appointment, it will be assumed that a selected candidate has no objection to conforming to the usual measures for the prevention and treatment of tropical diseases, including vaccination, inoculation and the use of quinine.

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* C. 23884/26: not printed.

† C. 7550/26: not printed.

Rank, Precedence and Promotion.

6. British Warrant Officers and British Sergeants of the Force will rank in their grade according to the date of their Army rank or local rank, if any.

7. Promotion in the Force will be made by selection, and seniority alone will confer no right whatever to promotion. Any local rank which may be granted to a British Non-Commissioned Officer whilst serving with the Force will be relinquished on his return to the British Army.

8. British Warrant Officers and British Sergeants will be liable to serve with any branch of the Force and in any part of the territory under the administration of the High Commissioner for Palestine.

Period of Service.

9. A British Warrant Officer or British Sergeant will ordinarily be appointed to the Force for a period of two years in the first instance, with the option of the extension of that period on the recommendation of the High Commissioner. Seconded service with the Force will count in full for military pension at the rate appropriate to the substantive British Army rank of the British Warrant Officer or British Sergeant in accordance with the provisions of the Royal Warrant for Pay, etc., of the Army, 1926.

Termination of Appointment.

10. At any time during a Warrant or Non-Commissioned Officer's period of secondment it will be within the discretion of the Commanding Officer of the Force to represent to the High Commissioner that the Warrant or Non-Commissioned Officer, either from temperament or other causes, is unsuited for service in Palestine and Trans-Jordan. In such a case, provided that the High Commissioner is satisfied that the Warrant or Non-Commissioned Officer is unsuited, arrangements will be made for the Warrant or Non-Commissioned Officer's reversion to his British Unit, or for his disposal in such other manner as may be determined by the Secretary of State for the Colonies and the Army Council.

11. No Warrant or Non-Commissioned Officer will be allowed to resign his appointment in the Force before the expiration of the period for which he has been seconded in his regiment, except on sufficient grounds to be approved by the High Commissioner for Palestine and the Secretary of State for the Colonies.

12. When a Warrant or Non-Commissioned Officer returns to the United Kingdom upon the conclusion of his period of secondment, arrangements will be made for his reversion to duty on the Imperial Establishment, usually with effect from the day following the date of the expiration of the period of leave for which he has qualified by service in Palestine and Trans-Jordan. In the exceptional case of a British Warrant Officer or British Non-Commissioned Officer being required to rejoin his British Unit for duty before that date he will forfeit the unexpired period of his leave but may be granted a gratuity in lieu of pay for such unexpired period. In the case of a British Warrant Officer or British Non-Commissioned Officer discharged from the British Army or transferred to the Army Reserve before the expiration of his leave, he will forfeit the unexpired period of his leave, but the issue of his pay for such unexpired period may be continued.

13. When a Warrant or Non-Commissioned Officer is invalided to the United Kingdom prior to the expiration of his period of secondment, arrangements will be made for his re-absorption into his British regiment, when passed medically fit, if it appears to the Secretary of State for the Colonies and the Army Council that this is desirable.

Pay, &c.

14. The rates of pay are as follows:—

British Warrant Officers, £E.340 per annum, rising by annual increments of £E.10 to £E.390 per annum, plus Cost-of-Living Allowance.

British Sergeants, £E.290 per annum, rising by annual increments of £E.10 to £E.330 per annum, plus Cost-of-Living Allowance.

15. Rations are not provided, nor is a cash allowance granted in lieu of rations.

16. At the present time a temporary and variable Cost-of-Living Allowance is also payable, but this allowance will only continue so long as it is justified by the cost of living in Palestine and Trans-Jordan, and may be abolished at an early date.

17. Accommodation will, if available, be provided by the Palestine Government, but on a scale suitable for unmarried Warrant or Non-Commissioned Officers only. Rent will be charged for the accommodation at the rates prescribed by the Government of Palestine, except in the case of a Warrant or Non-Commissioned Officer placed under canvas or in temporary hutments, when half the ordinary rates will be charged. The present rate is 4 per cent. of the total annual emoluments.

Pay Arrangements.

18. A Non-Commissioned Officer proceeding to Palestine on first appointment to the Force will receive the half pay of his appointment in the Force or full pay at his regimental rate, whichever is the higher, with effect from the date of his embarkation to the day preceding the date of his arrival in Palestine. He will begin to draw the full pay of his appointment on the latter date.

19. Warrant or Non-Commissioned Officers of the Force are ordinarily paid locally in Palestine or Trans-Jordan and not in the United Kingdom. Family allotments can, however, be paid in the United Kingdom, and Warrant or Non-Commissioned Officers who wish to make an allotment from their pay to dependents in the United Kingdom should communicate with the Crown Agents for the Colonies, 4, Millbank, S.W.1, before leaving England for Palestine. The Crown Agents will make arrangements for monthly payments which will continue to be paid until a communication is received cancelling the arrangements.

20. Except in special circumstances and with the express permission of the High Commissioner for Palestine, an allotment payable in the United Kingdom must not exceed half of the Warrant or Non-Commissioned Officer's total emoluments.

21. On first appointment, a Warrant or Non-Commissioned Officer can obtain one month's pay in advance from the Crown Agents for the Colonies. This advance will be recovered by instalments from the Warrant or Non-Commissioned Officer's pay on his arrival in Palestine. Similarly, a Warrant or Non-Commissioned Officer returning to Palestine from England after leave may obtain from the Crown Agents an advance of one month's pay within one month of the date of embarkation. A sum greater than one month's pay will not be advanced save in the most exceptional circumstances and upon collateral security.

Passages.

22. Free second-class passages are provided for Warrant or Non-Commissioned Officers proceeding to Palestine on first appointment to and on return to England on the termination of their appointments in the Force. Warrant or Non-Commissioned Officers are also granted free third-class railway transport in the United Kingdom and free second-class railway transport in Palestine or Trans-Jordan for themselves and their baggage on first appointment and on the termination of their appointment between their place of residence in the United Kingdom and their station in Palestine or Trans-Jordan in accordance with the scale laid down in the Travelling and Transport Regulations of the Palestine Government. Warrant or Non-Commissioned Officers on first appointment are required to sign an agreement with the Crown Agents for the Colonies undertaking to refund the cost of their passage to Palestine and of the conveyance by railway of themselves and their baggage to their stations in Palestine in the event of their relinquishing their appointments for reasons other than ill-health before completing a period of two years' service in Palestine or Trans-Jordan.

Leave.

23. Leave of absence may be granted generally in accordance with the regulations in force for officers of the Palestine Civil Service.

24. Subject to the exigencies of the Service, vacation leave on full pay, to be taken out of Palestine, may be granted at the rate of six weeks in respect of each

year of service. Such leave shall not be cumulative beyond a total of three months.

25. Half-pay leave, not exceeding one-sixth of the period of resident service in Palestine and Trans-Jordan, may also be granted to a British Warrant Officer or Sergeant who has completed three years' residential service in Palestine from the date of first appointment to the Force. With the approval of the High Commissioner, half-pay leave may be commuted to half the amount of leave on full pay, but commuted half-pay leave may not be granted more frequently than once every four years.

26. A British Warrant Officer or Sergeant may be required to discharge any duty or to go through any course of instruction which may be considered necessary during his leave of absence, and will not be entitled to any additional remuneration or leave of absence in consideration of such employment. Allowances granted to cover necessary out-of-pocket expenses are not regarded as remuneration.

27. Sick leave will be granted only on the recommendation of a Medical Board, and ordinarily will not exceed one month in Palestine on full pay in respect of each illness. If, at the end of one month, granted as above, a British Warrant Officer or Sergeant is still unfit for duty he may be granted any vacation leave for which he may be eligible up to a maximum of three months and any half-pay leave for which he may be eligible. If, at the end of that period a British Warrant Officer or Sergeant is still unfit for duty, he may be granted such an extension of leave as may be necessary with pay at British Army regimental full rates (with ration, but no other, allowances up to the maximum) to which he would be entitled under British Army Regulations, sick leave in all cases counting from the date of first absence from duty on account of sickness.

28. Free passages are not provided for British Warrant Officers or Sergeants proceeding on vacation leave, except in the case of a British Warrant Officer or Sergeant proceeding on leave prior to the termination of his appointment in the Force. British Warrant Officers or Sergeants proceeding on leave must, therefore, make their own arrangements for passages to and from the United Kingdom. A free passage will, however, be provided for a British Warrant Officer or British Sergeant invalided by order of a Medical Board.

Medical Treatment.

29. (*a*) Free medical and dental treatment is provided for regular Warrant or Non-Commissioned Officers in Palestine and Trans-Jordan, but they are required to bear themselves the cost of maintenance whilst undergoing treatment in a Government or Service hospital in Palestine. A regular Warrant or Non-Commissioned Officer requiring medical or dental treatment whilst on leave in the United Kingdom will be treated as far as possible in a Military hospital or dental centre, or otherwise by the Royal Army Medical Corps or Army Dental Corps Officers. If, owing to special circumstances, such Warrant or Non-Commissioned Officer cannot be so treated, and is obliged to consult a civil medical or dental practitioner, or go into a civil hospital, he will be dealt with as though he had been taken ill when on Army furlough, and the medical or dental expenses necessarily incurred at the ordinary Army rates with the approval of the Army Medical or Dental Authorities will be paid by the Government.

(*b*) Free medical treatment is provided for non-regular Warrant or Non-Commissioned Officers in Palestine and Trans-Jordan, but not in the United Kingdom. Such Warrant or Non-Commissioned Officers undergoing treatment in a Government or Service hospital in Palestine, are, however, required to bear the cost of their maintenance whilst in hospital. Non-regular Warrant or Non-Commissioned Officers requiring medical treatment whilst absent from Palestine or Trans-Jordan, who consult a private medical practitioner are required to bear themselves any expenditure on account of attendance or treatment.

Warrant or Non-Commissioned Officers Disabled or Killed on Duty or in Action.

30. A regular Warrant or Non-Commissioned Officer of the Force who suffers a disability attributable to service in the Force will receive the same treatment as regards disability compensation as he would have received if he had been serving

in the British Army in his substantive rank at the time of disablement. Where the death of such a Warrant or Non-Commissioned Officer of the Force is directly attributable to the conditions of service his dependents may claim and receive awards under the rules governing the grant of pensions and allowances to dependents of Warrant or Non-Commissioned Officers of the British Army who die in similar circumstances.

Reporting.

31. All Warrant or Non-Commissioned Officers of the Force returning to England will, on arrival, report immediately to the Colonial Office and the Crown Agents for the Colonies in writing, stating the date of departure from Palestine and the date of arrival in England.

Income Tax.

32. Imperial income tax is not payable in Palestine or Trans-Jordan in respect of salaries paid from Palestine funds, but a Warrant or Non-Commissioned Officer may become liable in respect of moneys remitted to the United Kingdom.

There is at present no local income tax in force in Palestine and Trans-Jordan.

Animal Depreciation Allowance, etc.

33. Each Warrant or Non-Commissioned Officer will be required to provide himself, at his own expense, with a horse or camel for duty. A loan may be issued by the Palestine Treasury for the purchase of these animals, such loan being recoverable by monthly deductions from the Warrant or Non-Commissioned Officer's emoluments. These deductions are made on a scale to cover the repayment of the loan on each animal during a period of 6 months.

34. Warrant or Non-Commissioned Officers draw a free issue of forage in kind, provided that the animal is borne on the strength and has been approved by a Board consisting of a Veterinary Officer and two British Officers nominated by the Commanding Officer. Free veterinary treatment is provided by the Palestine Government.

35. Depreciation allowance at the rate of PT.50 per mensem is granted in accordance with the Regulations for the enrolment, etc., of privately-owned animals in respect of each privately-owned animal borne on the strength. Compensation is also payable, on the conditions set out in those Regulations, in cases where the animal dies or becomes permanently unfit for duty.

General.

36. Warrant or Non-Commissioned Officers appointed to the Force are required to obtain a good colloquial knowledge of Arabic (or such other native language as may be appropriate) at the earliest possible date after their arrival in Palestine, and must take every possible opportunity to improve their knowledge.

37. It is to be clearly understood that the Regulations set forth in the foregoing paragraphs are liable to any alterations which may be directed by the Secretary of State for the Colonies.

Colonial Office,
1927.

Enclosure 2 in No. 40.

Revised Draft Conditions of Service for Non-European Personnel of the Trans-Jordan Frontier Force.

1. The rates of pay, issuable monthly, are as follows :—

Officer, Grade I,	£E.300–20–£E.400	per annum.
Officer, Grade II,	£E.264	per annum.
Officer, Grade III,	£E.216	per annum.
Sergeant,	£E.120	per annum.
Corporal,	£E.96	per annum.
Trooper,	£E.72	per annum.

2. Free single accommodation and free medical treatment are provided by the Palestine Government, but rations are not provided nor is an allowance granted in lieu.

3. A free issue of clothing in accordance with the scale laid down in Dress Regulations is made to each Officer, Non-Commissioned Officer and Trooper on enlistment.

4. Travelling allowance is payable to Officers, Non-Commissioned Officers and Troopers in accordance with the conditions laid down in the Travelling Allowance and Transport Regulations of the Palestine Government.

5. Non-Commissioned Officers and Troopers of the Force are eligible for the grant of Proficiency Pay and Trade Pay in accordance with the conditions laid down in the Proficiency Pay Regulations and the Trade Pay Regulations, respectively.

6. Each Officer, Non-Commissioned Officer and Trooper is required to provide, at his own expense, a horse or camel for duty. A free issue of forage in kind is made in respect of each animal borne on the strength, provided that the animal has been approved by a Board consisting of a Veterinary Officer and two British Officers nominated by the Commanding Officer. Free veterinary treatment is provided by the Government.

7. Depreciation allowance at the rate of PT.50 per mensem is granted in accordance with the regulations for the enrolment, etc. of privately-owned animals in respect of each privately-owned animal borne on the strength. Compensation is also payable on the conditions set out in those regulations, in cases where the animal dies or becomes permanently unfit for duty.

8. Officers, Non-Commissioned Officers and men are eligible for 14 days' leave per annum, but such leave is not cumulative to a total of more than 28 days.

9. A Non-Commissioned Officer or Trooper proceeding on leave may be granted one return railway warrant each year on the Palestine and Hedjaz Railways, to the railway station nearest to his home if his home is in Palestine or Trans-Jordan, or to the nearest frontier station if his home is not in Palestine or Trans-Jordan. In the case of Sudanese personnel, however, they may, if they so desire, be granted, instead, a free return warrant to Kantara once in every two years.

ENCLOSURE 3 IN No. 40.

(No. 159.) Downing Street,

SIR, 5th June, 1926.

WITH reference to your despatches West African Frontier Force No. 129 of the 10th of December, 1925,* and No. 24 of the 11th of March,† I have the honour to inform you that the Inspector-General, West African Frontier Force, has made certain recommendations to me for the standardisation of the general conditions of eligibility for Proficiency Pay for an African soldier in all units of the West African Frontier Force.

2. Colonel Oldman's proposals are as follows:—

(*a*) He must have at least 2 years' service.

(*b*) He must be certified by his Commanding Officer to be in all respects a thoroughly trained and efficient soldier and of a satisfactory physical standard.

(*c*) He must possess one of the following qualifications:—

(i) be a first-class shot in Table R.W., Part IV;

or

(ii) be a qualified Lewis Gunner in Table L.W., Part II;

or

(iii) be a qualified Machine Gunner in the Machine Gun Course;

or

(iv) be certified by His Commanding Officer as an efficient artilleryman;

* X. F. 69/26: not printed. † X. F. 69/26: not printed.

or

(v) if a signaller or belonging to a Light Mortar Battery and certified by his Commanding Officer as proficient in his specialist work, be a second-class shot in Table R.W., Part IV;

or

(vi) if a bandsman, within the authorised establishment, be certified by his Commanding Officer to be a proficient musician.

(*d*) A Reserve Lewis Gunner firing Table L.W. who fails to qualify in Part II may, at the discretion of his Commanding Officer, be considered eligible under (*c*) if he has attained the standard of first-class shot in Part IV.

(*e*) The provisions of the King's Regulations, paragraphs 740–742 will be followed, the dates for classification in the West African Frontier Force being the 1st of October and the 1st of April.

3. For the weapon training year 1926–27 men of the Lewis Gun Sections who are firing Table L.W. in their first year as members of Lewis Gun Sections and fail to qualify in Part II may, at the discretion of their Commanding Officer, be considered eligible under paragraph 2 (*c*) if they have attained a standard of first-class shot in Part IV. This concession is limited to the weapon training year 1926–27, as it is considered that in succeeding years vacancies in the Lewis Gun Sections will be filled by Reserve Lewis Gunners.

4. I have approved these conditions of eligibility for Proficiency Pay, and shall be glad if they can be put into effect as from the 1st of October, 1926.

I have, &c.,

L. S. AMERY.

GOVERNOR,
SIR GRAEME THOMSON, K.C.B.,
ETC., ETC., ETC.

C. 44467/27. [No. 4.]

No. 41.

PALESTINE.

The SECRETARY OF STATE to the HIGH COMMISSIONER.

(No. 1103.) Downing Street,

MY LORD, 19th August, 1927.

I HAVE the honour to refer to Your Lordship's despatch No. 1430 of the 7th of December* forwarding the draft of an Ordinance to amend the Frontier Force Ordinance, 1926, together with an explanatory note by the Attorney-General, and to transmit to you the accompanying copy of a letter† to the Air Ministry on the subject, together with a copy of the reply‡ thereto containing the Air Council's observations on the draft.

2. The Air Council point out, in paragraph 2 of their letter, that Section 6 of the draft does not fully carry out the intention of paragraph 2 of the memorandum enclosed with Air Ministry letter of the 3rd of August, 1926,§ viz., that powers of confirmation in respect of Courts Martial should be reserved to the Officer Commanding the Imperial Garrison instead of to the High Commissioner. A copy of the memorandum referred to was enclosed with my despatch No. 1323 of the 27th of September, 1926.‖ You will observe that the Air Council now recommend that both the High Commissioner and the Air Officer Commanding should have full powers of confirmation, and that the latter, while dealing finally with Courts Martial in all ordinary cases, should have discretion to refer proceedings to the former for confirmation. In addition to confirmation by the Air Officer Commanding, sentences of death, unless awarded by a Field Court Martial, would also require the approval of the High Commissioner. I see no objection to this recommendation, and subject to any observations which you may have to offer,

* No. 33. † No. 34. ‡ No. 35. § Enclosure in No. 31. ‖ No. 31.

I consider that the re-draft of Section 6 of the amending Ordinance enclosed with the Air Ministry letter, which gives effect to the above recommendation, should be adopted.

3. I am disposed to agree with the Air Council's view in paragraph 3 that if an emergency arose in which it was necessary to employ additional British personnel as Officers in the Force, such personnel should immediately be given some status in the British Army in order to bring them under the Army Act, and to give them authority over the regular British Forces with whom they would be required to co-operate in such an emergency. Section 9 (7) of the amending Ordinance, and Schedule II to the principal Ordinance, are intended to enable the High Commissioner to apply the Army Act to British personnel of the Force who are not otherwise subject thereto, but there remains the question of giving such personnel the necessary authority over regular British Forces. As the grant of a Commission in the regular Army Reserve of Officers gives such authority in addition to bringing the individual under the Army Act, this is clearly the better course to adopt in the case of Officers.

The grant of this authority is of less importance in the case of British Warrant Officers and Sergeants temporarily employed with the Force. Moreover, it is possible that objections may be raised to the enlistment of such personnel in the British Army Reserve, especially in view of the financial liability thereby incurred in respect of reserve pay on the reservist's return to the United Kingdom. In any case there are certain British Warrant Officers at present serving with the Force who, so far as I am aware, are not in the Army Reserve, and who would not therefore be subject to the provisions of the Army Act if the Ordinance were amended as suggested in the last sentence of paragraph 3 of the Air Ministry letter. In all the circumstances, I consider that Schedule II to the principal Ordinance and the second sentence of Section 9 (1) of the draft amending Ordinance should be retained, suitably amended so as to apply to non-regular British Warrant Officers and Sergeants only.

4. The amendment of Section 10 of the draft amending Ordinance, as suggested in the last paragraph of the Air Ministry letter appears to me to be desirable.

5. I enclose a statement indicating the amendments necessary in accordance with the views set forth in the foregoing paragraphs, together with certain further minor amendments which appear to be desirable.

6. I approve the draft amending Ordinance, subject to the adoption of the amendments indicated in the enclosed statement.

I have, &c.,
(for the Secretary of State)

W. ORMSBY GORE.

ENCLOSURE IN No. 41.

STATEMENT OF AMENDMENTS TO THE DRAFT ORDINANCE TO AMEND THE FRONTIER FORCE ORDINANCE, 1926.

Section 2 (*b*), line 1. Delete the word "added" at the end and insert "inserted after the definition of Company Officer."

The definition of "Warrant Officer" should be amended so as to read as follows:—"Warrant Officer means a British soldier or a civilian holding the rank of British Warrant Officer in the Force."

Section 4. Add "of the Force" after "Officer" in the last line.

Section 5. Insert "(1)" after "16" in line 1.

Section 6. See Air Ministry re-draft.

Section 9 (1). Amend this and Schedule II to the Principal Ordinance as indicated in paragraph 3 of Secretary of State's despatch.

Section 10. Amend as indicated in the last paragraph of the Air Ministry letter.

C. 44164/27. [No. 27.]

No. 42.

PALESTINE.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 44.]

Downing Street,
29th August, 1927.

SIR,

I AM directed to refer to the letter from this Department of the 9th of July,* and to transmit to you, to be laid before the Lords Commissioners of the Treasury, the accompanying copy of a despatch† from the Officer Administering the Government of Palestine on the subject of the construction of a semi-permanent camp at Zerka for certain units of the Trans-Jordan Frontier Force.

2. Their Lordships will observe that the total estimated expenditure on the camp during the financial year ending 31st March, 1928, is £E.32,084. It appears that this sum will provide accommodation for the whole of the Force with the exception of the Company at Ma'an, accommodation for which has already been dealt with in Mr. Meiklejohn's letter of the 31st of August, 1926,‡ and previous correspondence, and the Company which will be retained at Samakh during the coming winter, in accordance with the decision referred to in paragraph 3 of Lieutenant-Colonel Symes' despatch.

3. I am to ask that their Lordships may be moved to give their covering approval for the expenditure of a sum not exceeding £E.32,084 on the semi-permanent camp at Zerka during the financial year ending 31st March, 1928, on the understanding that the sum provided in the Middle Eastern Services Estimate as the British Grant-in-aid of the cost of the Force for that financial year, viz., £45,000, cannot be increased.

I am, &c.,

J. E. SHUCKBURGH.

C. 44164/27. [No. 23.]

No. 43.

PALESTINE.

COLONIAL OFFICE to AIR MINISTRY.

[*Answered by No.* 45.]

Downing Street,
29th August, 1927.

SIR,

I AM directed to refer to the letter from this Department of the 9th of July,§ and to transmit to you, to be laid before the Air Council, the accompanying copy of a despatch† from the Officer Administering the Government of Palestine in regard to the construction of a semi-permanent camp at Zerka for certain units of the Trans-Jordan Frontier Force, together with a copy of a letter‖ which has been addressed to the Treasury on the subject.

2. With regard to paragraph 3 of Lieutenant-Colonel Symes' despatch, I am to say that the Secretary of State trusts that the Council will accept the Palestine Government's offer to purchase the stalls referred to at a price of £E.2 per stall.

I am, &c.,

J. E. SHUCKBURGH.

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* C. 44164/27 [No. 23]: not printed. It transmitted a copy of No. 38.
† No. 39. ‡ C. 16906/26: not printed.
§ C. 44164/27 [No. 24]: not printed. It transmitted a copy of No. 38. ‖ No. 42.

C. 44164/27. [No. 29.]

No. 44.

PALESTINE.

TREASURY TO COLONIAL OFFICE.

(S. 28979/02.) Treasury Chambers,
SIR, 3rd September, 1927.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Sir John Shuckburgh's letter of the 29th ultimo,* and the accompanying copy of a despatch from the Officer Administering the Government of Palestine on the subject of the construction of a semi-permanent camp at Zerka for certain units of the Trans-Jordan Frontier Force.

In reply I am to request you to convey to the Secretary of State their Lordships' covering approval for the expenditure of a sum not exceeding £E.32,084 on this semi-permanent camp during the financial year ending 31st March, 1928, on the understanding that the sum provided in the Middle Eastern Services Estimate as the British Grant-in-aid of the cost of the Force for that financial year, viz., £45,000, cannot be increased.

I am, &c.,
R. S. MEIKLEJOHN.

C. 44164/27. [No. 35.]

No. 45.

PALESTINE.

AIR MINISTRY TO COLONIAL OFFICE.

(Secret.) Air Ministry,
London, W.C.2,
SIR, 21st November, 1927.

I AM commanded by the Air Council to refer to Colonial Office letter of the 29th August,† conveying the offer of the Palestine Government to purchase certain horse stalls at Sarafand at a price of £E.2 per stall.

In reply I am to acquaint you, for the information of the Secretary of State for the Colonies, that as these stalls are the property of the War Office it was necessary to obtain the concurrence of that Department in the sale of the stalls at the price offered.

This concurrence has now been obtained, and the Council are accordingly in a position to accept the offer of the Palestine Government. They understand that the price represents the net sum per stall which will be paid by the Palestine Government and that that Government has undertaken the reinstatement of the site.

I am, &c.,
B. E. HOLLOWAY.

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* No. 42. † No. 43.

F.B. 253

Printed for the use of the Colonial Office.

Middle East,
No. 7.

Report by Sir Gilbert Clayton, K.B.E., C.B., C.M.G., on his Mission to negotiate certain Agreements with the Sultan of Nejd, and Instructions issued to him in regard to his Mission.

COLONIAL OFFICE,
February, 1926.

Printed for the use of the Colonial Office.

Middle East,
No. 7.

Report by Sir Gilbert Clayton, K.B.E., C.B., C.M.G., on his Mission to negotiate certain Agreements with the Sultan of Nejd, and Instructions issued to him in regard to his Mission.

COLONIAL OFFICE,
February, 1926.

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Report by Sir Gilbert Clayton, K.B.E., C.B., C.M.G., on his Mission to negotiate certain Agreements with the Sultan of Nejd, and Instructions issued to him in regard to his Mission.

Sir Gilbert Clayton, K.B.E., etc., to the Secretary of State for the Colonies.

25th November, 1925.

SIR,

I have the honour to refer to the Colonial Office letters Nos. 35152/25 of the 6th August, 1925,* and 38484/25 of the 10th September, 1925,† relating to the negotiations which I was appointed to conduct with the Sultan of Nejd, and to submit my report on the progress and the results of my Mission.

Journey.

2. I left London on the 24th September and arrived at Ibn Sa'ud's camp at Bahra (some 28 miles east of Jedda) at midday on the 10th October. I had been met at Port Said by Mr. G. Antonius, Secretary to the Mission, Mr. E. C. Harvey, clerk and stenographer, and Taufiq Bey Suwaidi, the 'Iraq representative. As previously arranged, we travelled by the Nile route to Port Sudan, and thence crossed over to Jedda in H.M.S. "Clematis." From Jedda we proceeded by car to the camp specially set up for the negotiations at Bahra or, more precisely, Umm-al-Qurun, which is a well on the pilgrim-route to Mecca, lying midway between the ruined village of Bahra and the oasis of Hadda. A detailed time-table of the journey will be found on the attached itinerary sheet (Annexure 1).

Duration of Mission.

3. My stay at the camp lasted over three weeks, from the 10th October to the 3rd November. Formal negotiations were opened on the morning after my arrival and proceeded without interruption until the eve of my departure. On three occasions Ibn Sa'ud had to absent himself for periods varying from one to three days, during which he proceeded to Mecca on matters connected with the hostilities and other affairs of State; but his absences did not materially retard progress, as it was arranged that they should take place when questions of detail or of drafting were to be discussed with his advisers, and the clerical work entailed by the negotiations brought up to date.

* Not printed. † Appendix

4. During the latter part of my stay, however, I detected a certain tendency on the part of the Sultan and his advisers to delay matters. This may have been due perhaps to a desire to take full advantage, for military preparations, of the immunity from attacks by King Ali's aeroplanes which my presence in camp afforded. However that may be, I had on more than one occasion to request His Highness to press matters forward, and eventually I was obliged to fix the 3rd November as the date for my departure, with a broad hint of finality; and it was only on the 1st and 2nd of that month that I was able to get the Agreements signed and the letters arising therefrom exchanged.

Records of Proceedings.

5. In view of the fact that Ibn Sa'ud had no one among his personnel with a sufficient knowledge of English, I decided, largely from considerations of time, to dispense with any official record of our numerous conversations. As it was, the task of interpreting at the meetings and of translating the letters, drafts and memoranda fell entirely on Mr. Antonius and made a considerable call upon his time. To have undertaken the drawing up of formal minutes would have prolonged my stay in Bahra considerably, and would have entailed lengthy discussions and much additional work in translation. I decided, therefore, that each party should draw up its own record of the proceedings to serve as an independent *aide-mémoire* but not to be quoted as an authoritative reference. I think that ample justification for this arrangement lies in the fact that all that was material and binding in the negotiations is formally embodied in the Agreements and in the supplementary exchange of letters.

Number of Meetings.

6. My own record of the proceedings is appended as Annexure 2, from which it will be seen that twenty meetings took place between Ibn Sa'ud and myself. I had, in addition, several interviews with him of an informal nature, which were helpful in the cultivation of friendly relations and enabled me to form some appreciation of his psychology. I should also mention the frequent, almost daily, meetings which took place between Mr. Antonius and the Sultan's principal advisers, at which the questions under consideration were discussed in detail and the way paved to agreement between Ibn Sa'ud and myself. I thought it preferable to leave Taufiq Bey Suwaidi at Jedda until I had entered upon a discussion of the questions relating to 'Iraq; he joined me at the camp on the 20th October, and remained there (without, however, attending the formal interviews) until the 28th October, by which date substantial agreement had been reached on all matters affecting 'Iraq.

QUESTIONS RELATING TO TRANS-JORDAN.

Opening of Negotiations.

7. I opened negotiations on the questions relating to Trans-Jordan at the first formal meeting on the 11th October, on the basis of the instructions contained in letter No. 38484/25 of the 10th September, 1925,* and of the memorandum drawn up by Mr. Antonius dated the 22nd September, 1925, and approved by the High Commissioner for Palestine (see Annexure 3). It was clear at the outset that my

* Appendix.

announcement of the points regarded by His Majesty's Government as fixed was unwelcome to Ibn Sa'ud; and when I informed him that His Majesty's Government were now of opinion that Kaf should be included in Trans-Jordan, he was visibly, and I believe genuinely, perturbed. He expressed himself as being unable to accept this change, and he also objected vehemently to the northern frontier being so drawn as to unite Trans-Jordan and 'Iraq and thus separate Nejd from Syria.

Ibn Sa'ud's Objections.

8. In support of this twofold contention, Ibn Sa'ud advanced numerous and diverse arguments which will be found in the record of proceedings (Annexure 2, summary of first four meetings) and in the three unsigned memoranda which he presented after the first, second and fourth meetings respectively (Annexure 4). I will content myself here with a reference to the main arguments of his thesis. With regard to Kaf, his principal contention was that His Majesty's Government had, on the 23rd October, 1924, through the Political Agent at Bahrain, formally offered him a frontier which gave Kaf and a section of the four Wadis to Nejd; and that, since he had published the contents of that letter broadcast among his tribes and pledged his word to its effect, he had so committed himself as to be unable to recede from that position. He emphasized the fact that his authority in Nejd rested entirely on his personal ascendancy over his subjects, and that the reversal of a decision which he had published as final would mean a greater risk to his prestige than he was prepared to run. With regard to the northern frontier, he maintained that the territories of which he was now master had always marched with those of Syria; and that in view of this historical fact and of the long-established traffic between Damascus and Central Arabia he could not see his way to accepting any kind of barrier between his dominions and the Syrian border.

9. Although my instructions authorised me explicitly to cede Kaf in the last resort, I did not think it advisable to do so until the last possible moment, and I adhered to my original position throughout the first four meetings. In the first place, I wished to test the genuineness of Ibn Sa'ud's professions and gauge the length to which he was prepared to carry resistance. In the second place, I considered it essential to withhold any cession of Kaf until he and his advisers were in such a frame of mind as to consider it a concession which placed them under the obligation of furnishing adequate guarantees in return. I therefore suggested to Ibn Sa'ud at the close of the fourth meeting that, as we had apparently reached a deadlock in regard to the question of Kaf, we should proceed to discuss the questions concerning 'Iraq. Ibn Sa'ud assented to this proposal, and as soon as agreement in principle had been reached on those questions (seventh meeting), I re-opened negotiations on Trans-Jordan affairs, still maintaining my original position without, however, carrying matters to the length of a rupture.

Final Offer to Ibn Sa'ud.

10. Eventually, at the opening of the tenth meeting, I presented Ibn Sa'ud with the text of a draft Agreement concerning Trans-Jordan (Annexure 5). I had come to the conclusion that no form of persuasion would induce Ibn Sa'ud voluntarily to give up Kaf and that arbitrary dictation. even if successful in securing the desired

object, would leave a sore which must neutralize to a great extent the benefits to accrue from the agreement which it was my mission to conclude. Having carefully reviewed the question, in the light more particularly of the memorandum forwarded to me by the High Commissioner for Palestine, I was of opinion that the only proper course was to cede Kaf to Ibn Sa'ud and at the same time to obtain in return undertakings securing, as far as possible, the main objectives envisaged by His Majesty's Government. I refer, in particular, to the immunity of Trans-Jordan from aggression, the preservation of established rights, and the protection of tribes against disruptive propaganda. As for the northern frontier and the southern portion of the western frontier, I admitted no alteration whatever, and met Ibn Sa'ud's urgent demands for contiguity with Syria by offering his trading caravans certain restricted facilities of transit into and from Syrian territory. I made it clear in presenting this draft that the proposals it contained were to be regarded as interdependent and accepted or rejected as a whole.

Agreement Concluded.

11. It may be claimed that this offer, in the circumstances in which it was made, had the desired effect. It is true that Ibn Sa'ud, while acknowledging it with a great show of appreciation, did present a memorandum and a counter-draft (see Annexure 6) which resulted in my agreeing to a certain enlargement of the concessions and diminution of the corresponding obligations; and it is also true that, in committee with Ibn Sa'ud's principal advisers, Mr. Antonius was long and busily engaged in resisting fresh claims and pinning down evasions. But the fact remains that, except for certain minor changes, my offer was ultimately accepted by Ibn Sa'ud, and an instrument to that effect, to be known as the Hadda Agreement (Annexure 7), was signed on the 2nd November, 1925.

Substance of the Agreement.

12. As will be seen, this Agreement provides (Article 1) for the cession of Kaf and that portion of the Wadi Sirhan to the south of Kaf to Ibn Sa'ud, but maintains the northern frontier and the southern portion of the western frontier of Nejd as fixed by His Majesty's Government. In addition, it excludes practically the whole of the four Wadis from Nejd, which represents a gain to Trans-Jordan in comparison with the frontier previously offered to Ibn Sa'ud. The immunity of Trans-Jordan from aggression, the preservation of established rights and the protection of tribes against disruptive propaganda are secured, as far as possible, by the provisions of Articles 2, 4 and 8 respectively. The prevention of raids is dealt with in Articles 5 and 6, and the movements of tribes are regulated in Articles 7 and 8. Facilities for trade and pilgrimage are contained in the provisions of Articles 12 and 13, and in the separate undertaking given by Ibn Sa'ud (Annexure 8) to the effect that he will grant reciprocal facilities to trading caravans from Trans-Jordan crossing the Wadi Sirhan, if established rights are proved to exist. Article 3 stipulates the maintenance of constant communication between the Chief British Representative in Trans-Jordan and the Governor of the Wadi Sirhan, while Articles 9, 10 and 11 relate to minor questions of frontier regulation, and Articles 14, 15 and 16 to the duration, the language and the name of the Agreement, respectively.

Language.

13. I must explain that, although the original draft was in English and Ibn Sa'ud agreed (not, however, without discussion) that, in case of divergence, the English text should prevail, I was obliged, in deciding the final wording of the Agreement, to take into account the Arabic text. Had the English version been the only one to be considered, the final text might have been different in places; but I considered it essential that both the Arabic and the English texts should attain the same degree of clarity, even at the cost of a certain sacrifice of idiom.

14. Lastly, I would refer to the correspondence exchanged on the subject of the demilitarisation of Kaf (Annexure 9). His Highness had asked me in conversation to define in greater detail the provisions of Article 2 of the Agreement, and afterwards requested that his questions and my answers should be recorded.

QUESTIONS RELATING TO 'IRAQ.

Agreement concluded.

15. The discussion of the questions relating to 'Iraq was opened at my fifth formal meeting with the Sultan on the 15th October. I did not encounter as great difficulty in the discussion of these questions as in those affecting Trans-Jordan. The main obstacle lay in Ibn Sa'ud's urgent demand for the surrender of refugee tribes, wherein he showed himself so insistent that I judged it necessary at that meeting to give him the choice between an abatement of his demands and a rupture. The threat had the desired effect in that it caused Ibn Sa'ud to assent, there and then, to my suggestion of continuing the discussion on the basis of a draft Agreement. Having made it clear to him that the only degree of extradition I could admit was that of common criminals, I presented him with a draft (see Annexure 10), and after two further meetings in which the question of refugee tribes was again brought up by him in a last attempt to secure their extradition, agreement on the main points of principle was reached. My own draft and a counter-draft prepared by Ibn Sa'ud (Annexure 10) were then examined in committee with his advisers, and an instrument to be known as the Bahra Agreement (Annexure 11) was drawn up and signed on the 1st November, 1925.

Substance of Agreement.

16. The main object of this Agreement was to arrive at some *modus vivendi* which would, as far as possible, prevent trans-frontier raiding and ensure peace on the border between 'Iraq and Nejd. Its provisions are based mainly on the instructions contained in the Colonial Office letter of the 10th September, 1925,* and the High Commissioner for 'Iraq's despatch of the 12th March, 1925,† and they embody all the points that were agreed upon at the Kuwait Conference (Articles 1, 5, 6 and 7), with the single exception of the proposal for the appointment of Inspectors of Boundaries, which seems to me (as to the High Commissioner for 'Iraq) a proposal of doubtful efficacy. With regard to the two points which had caused a deadlock at the Kuwait Conference, namely, the extradition of refugee tribes and the conditions on which armed contingents might

* Appendix.

† 13496/25; not printed.

be called up, I was able to persuade Ibn Sa'ud to recede from his former position and accept the point of view of the 'Iraq Government (Article 8). I consented, however, to insert a clause (Article 10) whereby the two Governments undertake to negotiate an agreement for the extradition of common criminals. Ibn Sa'ud was also prevailed upon to accept the proposal for the imposition of guarantees, originally suggested in Colonial Office telegram No. 25 dated the 14th January, 1924,* but rejected by the Nejd delegates at the Kuwait Conference, and a clause to that effect was inserted (Article 9). Article 2 provides machinery for the effective punishment of raiders and the restitution of loot taken in future raids; while Articles 3 and 4 contain stipulations for restricting the movements of tribes other than lawful migrations for purposes of grazing. Lastly, Articles 11 and 12 refer to the language and the name of the Agreement.

Language.

17. In view of the fact that this Agreement will be implemented by two Arabic-speaking States, I thought it proper to accept that it should be drawn up in Arabic, and that the Arabic text should be the only valid one. The English translation, which is attached to the Arabic original (Annexure 11), was prepared by Mr. Antonius and is certified by him as being an exact rendering.

Date of Effect.

18. The Bahra Agreement is supplemented by an exchange of letters bearing on three different points. The first (Annexure 12) concerns the date on which the Agreement comes into effect, and comprises a letter from me to Ibn Sa'ud informing him that the Agreement would come into force on the date of ratification by the 'Iraq Government, and a letter of acknowledgment from him.

Correspondence about Refugee Tribes.

19. The second (Annexure 13) comprises Memorandum No. 4 from Ibn Sa'ud, dated the 19th October, 1925, in which he puts on record his conviction that the only effective way of ensuring peace on the border lay in the admission of his claim for the extradition of refugee tribes; and repudiates, at any rate by implication, responsibility for disturbances which might occur in the future as a result of his claim not having been admitted. To this memorandum I replied, on the 20th October, 1925,† in terms refuting His Highness' arguments and hinting that responsibility for future disturbances would be determined according to the loyalty or disloyalty of his co-operation.

Liquidation of past Raids.

20. The third exchange of letters (Annexure 14) refers to the settlement of claims arising from past raids. In this question there seemed to be only two alternative methods of settlement: either a final liquidation based on an actual reckoning of the loot taken and the losses sustained, or a general provision laying down the principles and the procedure of a liquidation. I adopted the latter alternative

* 1535/24; not printed.

† Annexure 13.

for two reasons. In the first place, I was reluctant to enter into a controversy which must entail contentious arithmetic and delay. Secondly, I found to my surprise that Taufiq Bey Suwaidi, far from being in possession of full information as I had been led to expect, was not in a position to supply me with more particulars than those contained in the admittedly incomplete documents which had previously been communicated to me. In view of this, and of the written statement submitted to me by Taufiq Bey Suwaidi on the 25th October (see Annexure 14), my only practical alternative was to come to an understanding with Ibn Sa'ud as to the principles and the procedure to be adopted. This understanding, after having been agreed upon by Taufiq Bey Suwaidi and Ibn Sa'ud's advisers, was formally embodied in an interchange of letters (Annexure 14) in which I proposed and Ibn Sa'ud accepted that the 'Uqair Conference be taken as the starting-point for the liquidation of claims, and that this liquidation be carried out by the tribunal provided in Article 2 of the Bahra Agreement, within six months of the ratification of that Agreement by the 'Iraq Government.

OTHER QUESTIONS.

Representation at Damascus.

21. At my ninth meeting with the Sultan of Nejd, which was held on the 22nd October, I referred to the question of the protection of Nejdi interests in Damascus (*vide* paragraph 8 of the Colonial Office letter of the 10th September, 1925*), and asked His Highness to let me know his real wishes in the matter. Ibn Sa'ud asked for time to consult his advisers, and subsequently wrote to me to the effect that he wished to entrust the duty of protecting Nejdi interests in Damascus to one of his own subjects. He also asked whether there would be any objection on the part of His Majesty's Government to his entering into direct correspondence with the French authorities in Syria on this subject. I replied saying that I would transmit his views to His Majesty's Government and pointing out that there appeared to be no necessity for direct correspondence with the authorities in Syria. I also asked His Highness to await the receipt of a further communication from His Majesty's Government. His letter and my reply are appended in Annexure 15.

Representation in Nejd.

22. I also took a suitable occasion to raise the question of the channel of communication between Ibn Sa'ud and His Majesty's Government, observing that misunderstandings could best be avoided by prompt and frank discussion, combined with a full comprehension of Ibn Sa'ud's wishes and point of view. Ibn Sa'ud replied that he had not been entirely satisfied with the system that had obtained in the past, but added that the existing channel through His Britannic Majesty's Consul at Jedda met present requirements, especially as, being an independent ruler, he considered that the Foreign Office was the Department of His Majesty's Government with which he should be in communication. I detected some reluctance on his part to discuss the possibility of accepting a British representative at Riadh, and I did not, therefore, consider it advisable to press the point at this juncture.

* Appendix.

Hejaz-Nejd Affairs.

23. At the outset of our conversations I thought it advisable to make it quite clear to Ibn Sa'ud, as I had already done to King Ali, that my mission was in no way concerned with the unfortunate conflict between Nejd and the Hejaz. He fully realized this and appeared to understand clearly the position which His Majesty's Government had taken up with regard to this question, though he gave no indication of welcoming their mediation. He seized the occasion, however, to assure me that his action in attacking the Hejaz had not been dictated by any spirit of aggression and that he would be prepared to hand it over to any authority approved by the Moslem world in general, provided that the administration was conducted in accordance with rules to be agreed upon by representatives of Moslem opinion, and designed to afford the greatest possible facilities for the performance of the pilgrimage. It was clear to me, however, that Ibn Sa'ud would never admit the re-establishment in the Hejaz of any member of the Hashimite family, to whom his personal enmity is bitter and deeply rooted.

Treaty between His Majesty's Government and Ibn Sa'ud.

24. On the 1st November, when the two Agreements had been disposed of, Ibn Sa'ud raised the question of the existing Treaty between himself and His Majesty's Government and, as I had been led by certain indications to expect, expressed his strong desire for the conclusion of a new Treaty, the terms of which should be more in accordance with the enhanced position and status of Nejd. I replied, in the terms of my instructions, that the existing situation was not one in which His Majesty's Government could contemplate entering into any such negotiations but, in response to his urgent request, I informed him that I would communicate his wishes to my Government. There is no doubt that this is a question to which Ibn Sa'ud attaches extreme importance, and I attribute such success as may have attended my negotiations in some measure to his desire to produce a favourable atmosphere for the future revision of the existing Treaty, and to a genuine conviction that his interests will be best served by friendship and alliance with Great Britain. I shall set forth my observations on this matter in a separate communication.

Acknowledgments.

25. I wish to record my gratitude for the assistance which was at all times forthcoming from the British authorities in Egypt and the Sudan during the passage of my Mission through those countries; and I would mention specially the valuable help accorded by Mr. S. R. Jordan, His Britannic Majesty's (Acting) Agent and Consul at Jedda, and Commander H. Woodward, D.S.O., Senior Naval Officer, Red Sea.

Taufiq Bey Suwaidi, the representative of the 'Iraq Government, gave me his loyal co-operation throughout, and I take this opportunity of expressing my thanks for his services.

Mr. E. C. Harvey, as clerk and stenographer to the Mission, performed his duties to my satisfaction in circumstances of some difficulty and discomfort.

I cannot conclude this report without bringing to your notice the very valuable service rendered by Mr. George Antonius, as Secretary to the Mission. His comprehensive knowledge both of English and of Arabic ensured a means of communication between Ibn Sa'ud and myself, which rendered any misunderstandings impossible. I entrusted to him all the detailed negotiations with Sultan Ibn Sa'ud's advisers, and the results achieved by my Mission are due in a large measure to the tact and firmness with which he conducted those discussions. His advice and assistance were of great value to me throughout the course of the negotiations, and I venture to submit that his services merit special recognition by His Majesty's Government.

I have, etc.,

GILBERT CLAYTON,

His Britannic Majesty's
Commissioner and Plenipotentiary.

ANNEXURE 1.

Itinerary of Mission to Arabia.

1925.

24th Sept.—Sir Gilbert Clayton leaves London.

2nd Oct.—Mission leaves Cairo.

7th Oct.—Arrival at Port Sudan.

9th Oct.—Arrival at Jedda.

10th Oct.—Arrival at Bahra.

11th Oct.—Opening of negotiations.

1st Nov.—Bahra Agreement signed.

2nd Nov.—Hadda Agreement signed.

3rd Nov.—Departure from Bahra and arrival at Jedda.

6th Nov.—Arrival at Port Sudan.

9th Nov.—Arrival at Khartoum.

15th Nov.—Arrival at Cairo (Preparation of Report).

23rd Nov.—Arrival at Jerusalem.

ANNEXURE 2.

Record of Proceedings.

I arrived at Jedda on the morning of Friday, the 9th October, and was met on board H.M.S. " Clematis " by Mr. S. R. Jordan, the Acting-Consul. A representative of King Ali, Dr. Muhammad al-Husaini, came also on board and communicated to the Captain the tact that King Ali had sent him with greetings to myself. The Captain replied, after previous consultation with me, that I was postponing interviews until I went ashore.

I landed at 12 noon in company with the Consul and Commander H. Woodward, D.S.O., and proceeded to the Agency. The Consul informed me that he had discouraged King Ali and his entourage from organising a display for my reception, as they had intended, on the plea that my mission was not to the Hejaz Government and that any formal reception would be misinterpreted. With this view I concurred. I thought it proper, however, to send a message to King Ali informing him that I proposed to pay him an informal visit of courtesy. This I did at 5 p.m. I was attended by the Consul and Mr. G. Antonius and was received by the King in his Palace. The interview, which lasted rather less than half-an-hour, was informal and the conversation consisted merely of an exchange of greetings, personal reminiscences and small talk. At the conclusion of the interview, King Ali, who was attended by Sheikh Fuad al-Khatib, expressed a desire to return the visit that same day and, as he showed a certain insistence, I replied that I would be in readiness at 9 p.m. that evening.

During this visit, which also lasted about half-an-hour, I thought it desirable to seize the opportunity to give King Ali clearly to understand that it was no part of my visit or mission to intervene in any way in the Hejaz-Nejd conflict. I reminded him that His Majesty's Government had clearly defined their attitude as being one of strict neutrality, qualified only by the duty of protecting British subjects; and I added that, although the British Government viewed with extreme regret the existence of this conflict and the distress that it was causing among Moslems in general, yet they were unable in the circumstances to depart in any respect whatsoever from this attitude. In answer to a question from the King, I added that my first concern would be to carry out the object of the mission for which I had been delegated, but that on the conclusion of that mission and when I had finally disposed of the matters with which I was charged I would gladly meet him again and, in an informal and purely private capacity, hear anything that he might wish to say. I think that this explicit declaration served a good purpose in clearing up the situation and contradicting some of the rumours which had been circulated in connection with my mission. At the same time my frank statement, which was received by King Ali with a great show of concurrence, did not appear to impair the cordiality of our personal relations.(1)

(1) *Note.*—I would observe that King Ali appeared to me to be worried and dispirited, though constrained by the dictates of courtesy and his own innate good breeding to assume an air of unconcern and even of gaiety. Moreover he glanced from time to time somewhat furtively at Sheikh Fuad as though seeking tacitly his guidance and support.

The arrangements for my journey to the place of meeting with Ibn Sa'ud had been made by Mr. Jordan. I was informed that Ibn Sa'ud had provided accommodation for the mission in a special camp at Bahra and that he was despatching two motor cars and a number of camels to transport us and our effects from Nuzla, a suburb just outside the lines of defence around Jedda, to Bahra. King Ali, on his part, had kindly offered to place his motor car at my disposal as far as Nuzla.

The journey was duly carried out according to the above programme. I left Jedda at 9.30 a.m. on Saturday, the 10th October, and arrived at Bahra at noon. I was accompanied to Bahra by Mr. Antonius and Mr. Harvey, while Mr. Jordan came with me as far as Nuzla, where we changed cars. I thought it preferable to leave Taufiq Bey Suwaidi at Jedda until such time as I became engaged in discussions over 'Iraq matters which might require his co-operation.

Immediately upon my arrival at the reception tent, which had been provided for my use, Ibn Sa'ud entered, accompanied by certain members of his entourage. We had a brief interview of some twenty minutes, which was confined to an exchange of greetings and courtesies, and was marked by a tone of particular cordiality. Shortly after the interview I repaired to my private living tent, where I sent a message to Ibn Sa'ud expressing my desire to return his visit at any time which would be convenient to him. The time he selected was 5 p.m., when the second interview took place.

The second interview, which was also markedly cordial in character, went somewhat beyond the mere exchange of greetings, but did not extend to any detailed discussion of questions at issue. It lasted about half-an-hour, during which I explained to Ibn Sa'ud that I had come with instructions to discuss certain specified matters and with power to conclude such agreements as might be arrived at; I added that I was also prepared to discuss generally with him any other questions which he might wish to represent to His Majesty's Government. I emphasized the fact that I regarded my visit as an exceptional opportunity, which was unlikely to recur, of coming to a clear understanding in regard to outstanding questions, and of discussing any other matters which affected the interests of Great Britain and of Nejd. Ibn Sa'ud replied with cordial protestations of welcome, and more than once during the interview reiterated his belief that the interests of Great Britain and Nejd were not only closely connected but also coincident. He made a great point of his sincere desire to stand well with His Majesty's Government and to do everything in his power to promote British interests, being convinced that by so doing he would be serving the best interests of his own country. The interview was brought to an end by the advent of sunset and the customary prayer. In taking my leave, I assented to Ibn Sa'ud's request for a further conversation that evening.

The third interview took place at 8 p.m. in my reception tent, and Ibn Sa'ud was again unattended. The conversation was less formal than on previous occasions, and I endeavoured to pave the way for the commencement of detailed discussions. I again explained to Ibn Sa'ud that my mission was directly concerned with outstanding questions between Nejd on the one hand and 'Iraq and Trans-Jordan

on the other, and that for the purpose of those questions I had definite powers enabling me to discuss and draw up final agreements. I added that I was also prepared to listen to any representations that he might wish to make on other matters in regard to which he might wish to bring his views to the notice of His Majesty's Government. There had been rumours that I had come with the intention of intervening on behalf of His Majesty's Government in the conflict between Nejd and the Hejaz, but I wished to take this early opportunity of explaining to His Highness that this was not the case and that there had been on the part of His Majesty's Government no departure from the attitude which they had publicly announced. I also informed him of my conversation with King Ali on this subject. At this point Ibn Sa'ud, who seemed anxious to declare himself on this question, asked for permission to express his views and his attitude. In the first place he wished it known that in all his undertakings he was actuated by two motives: the first was that arising out of the dictates of his religious convictions, with all that they entailed of obligation to promote the welfare of his people and of Moslems generally; the second was his code of honour and upright conduct, which to him was a real and live principle of action. Applying these two motives to the present conflict, he argued that he had been moved to attack the Hejaz largely owing to the general indignation which the tyranny and extortions of Hussein had provoked. He stated with some heat that it was only when Hussein's tyranny had reached such a pitch as to result in rendering the pilgrimage impossible to a great number of Moslems that he made up his mind to remedy an intolerable situation; and he acted on grounds of duty towards his co-religionists. He went on to speak, without any prompting from me, of the conditions on which he would accept a solution of the present conflict. These conditions were: first, that the administration of the Hejaz should be entrusted to some person or authority who would command the confidence of all Moslems throughout the world; secondly, that the administration should be guided by definite rules to be drawn up and agreed upon by representatives of the Moslem world; and thirdly, that the administration should always have in view the establishment of a reign of justice coupled with all possible facilities for pilgrimage.(1)

In reply I contented myself with repeating my previous statement of the neutrality of His Majesty's Government and of their regret that the Holy Places of Islam should have become a source of conflict and strife. I added a few general remarks of courtesy and compliment, and brought the interview to a close by proposing that we should begin business on the following morning, and that, provisionally, we should arrange to hold three interviews a day. I also suggested that the subject to be taken first should be that of the frontier between Trans-Jordan and Nejd, to which His Highness assented. I took my leave at 9.15 p.m.

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(1) *Note.*—It is to be observed that although Ibn Sa'ud declared himself repeatedly as being anxious for an early liquidation of the present state of affairs yet he at no time gave any hint of a desire that His Majesty's Government should mediate or work towards such a settlement.

First Meeting.

The first formal meeting took place at 9 a.m. on Sunday, the 11th October, in my reception tent, and was attended by His Highness Ibn Sa'ud, Sheikh Hafiz Wahba, Sheikh Yusuf Yasin, Mr. Antonius, and myself.

I opened the proceedings by reciting the objects of my mission, and, in dealing with the question of the Trans-Jordan—Nejd frontier, enumerated the points which His Majesty's Government regarded as fixed. I also explained to His Highness that His Majesty's Government, after careful consideration, had come to a decision that it was necessary to include Kaf within the territories of Trans-Jordan, in spite of the fact that it had been previously intimated by them that they would be prepared to accept a frontier which left Kaf to Nejd.

Ibn Sa'ud expressed the deepest concern at this change in the attitude of His Majesty's Government in respect of Kaf. He urged that the Wadi Sirhan was indivisible and that as the village of Kaf and the salt villages of Geraya formed an essential part of the Wadi, their occupation by a foreign power would gravely prejudice the interests not only of the northern part of the Wadi but also of Jauf itself. He further pointed out that His Majesty's Government had on more than one occasion informed him that they were prepared to accept a line which included Kaf within his dominions and quoted an official statement received from the British Agent at Bahrein dated 23rd October, 1924, in which the boundary was defined clearly and in detail.(1)

I pointed out that some considerable time had elapsed since the line to which he alluded had been suggested, and that during the course of the present year the whole question had been very carefully considered, with the result that it had now been decided, largely in the interests of the security of Trans-Jordan from possible attack from the East, that the retention of Kaf was essential. I further reminded Ibn Sa'ud that this change of attitude could hardly be held to lack justification in view of the very serious attack which had been made on Trans-Jordan in August, 1924, an attack which only the prompt action of British troops prevented from leading to the gravest consequences.

I then turned to the Trans-Jordan-Hejaz frontier, explaining that, while it was no part of my mission to discuss that frontier with him, I was empowered to inform him that His Majesty's Government had decided that the line should eventually be drawn from a point on the Gulf of Akaba situated at some distance south of the town of Akaba, through a point on the Hejaz Railway south of the station of Mudawwara, to a point situated approximately at the intersection of meridian 38° E. with parallel 29° 35′ N. I added that His Majesty's

(1) *Note* —Anticipating considerable objection by Ibn Sa'ud to the inclusion of Kaf in Trans-Jordan and the certainty of his quoting the frontier which was laid down as a basis for negotiations at the Kuwait Conference, I had intended to point out that the arrangement then suggested was a three-cornered one designed to combine the requirements not only of Trans-Jordan and Nejd but also of the Hejaz; hence, as Khurma and Turaba, which had originally been his *quid pro quo* for Kaf, had now passed out of the sphere of consideration the original suggestion was naturally subject to revision. In view of the letter of the 23rd October, 1924, which was produced for my inspection, any such argument was nullified.

Government fixed this last point as that at which the eastern frontier of Trans-Jordan should end, and that they could not consent to any encroachment beyond the line which they had already proposed in regard to the southern portion of that section of the frontier.

With regard to the northern frontier of Nejd I reminded Ibn Sa'ud that the frontier between 'Iraq and Nejd, as laid down in Protocol Number 2 to the Muhammara Convention, ended at the intersection of meridian 39° E. with parallel 32° N., and informed him that His Majesty's Government must insist that the frontier between Nejd and Trans-Jordan should take off from that point and also could not permit it to follow any line which carried it to the north of parallel 32° N.

Ibn Sa'ud took strong exception to the last statement, maintaining that free access between Nejd and Syria was vital, and that he viewed with grave apprehension the existence astride those communications of a strip of territory under the control of 'Iraq and Trans-Jordan. In reply I regretted that my instructions left me no discretion on this point.

Second Meeting.

The second meeting took place at 9 a.m. on Monday, the 12th October, with the same attendance as before.

Ibn Sa'ud maintained that the Wadi Sirhan had always been part of his dominions and Kaf had been in the possession of his grandfather. It was only at the instance of Sir Percy Cox that he had refrained from occupying it. I suggested that any legitimate rights might perhaps be safeguarded by some sort of saving clause in the Agreement, but Ibn Sa'ud said he could not see what guarantees would be of any value if he had to give it up, though he, on his side, was prepared to give such undertakings as might be considered necessary. I suggested that possibly Ibn Sa'ud did not so much wish to occupy Kaf as to have the principle established that it lay within his dominion, but he replied definitely that he wished to occupy the place and that the mere recognition of his rights to Kaf would be of no use if occupation were denied to him.

I then pointed out that the establishment by him of a strong force in military occupation of a strategic point like Kaf must be viewed with grave uneasiness by the Government of Trans-Jordan and regarded by His Majesty's Government as a menace to territory under their Mandate. If one party is holding an important strategic position, that party is either on the defensive or is definitely menacing his neighbour and an occupation by him of such a nature could only be regarded as military rather than political or administrative. What I would like to ascertain was the real motive of His Highness in wishing to occupy Kaf; was it merely because he wished to have the place included within his territory, and in that case was he prepared to leave it open for all purposes; or was it his intention to establish there a strong military post, the reason for which could only be either that he contemplated offensive action or that he was himself afraid of being attacked.

Ibn Sa'ud admitted that his motive in wishing to occupy Kaf had been to convert it into a stronghold, but if his occupation was likely to be regarded as a menace he would be prepared to take such

measures as the British Government might recommend to dispel any such idea. He would be prepared also to abstain from fortifying the place on condition that should exceptional circumstances arise he would be free, after consultation with His Majesty's Government, to arm it and take such military measures as circumstances required. He would place before Great Britain two alternatives: either Great Britain should prevent any danger arising to him or should allow him to repel that danger himself. His whole attitude would be defensive and not offensive. The question of ensuring British interests on the border was one which he had very much at heart and it was not his intention to place offensive posts on the frontier.

I then asked Ibn Sa'ud if he would make a statement with regard to his treatment of certain tribes in Trans-Jordan who might come from time to time temporarily under his jurisdiction. The question was not directly connected with that of Kaf, but I desired to have an idea of his policy towards these tribes. Ibn Sa'ud replied that this matter could be regulated by conditions and agreements and the rights of tribes would be recognised. There was, however, one point which would have to be provided for, and that was intrigues against himself fomented by other rulers with a view to causing trouble between G.eat Britain and himself.

In reply to a question, His Highness said that he would be pleased to come to some agreement whereby principles might be laid down with a view to dealing with raids. He also welcomed the suggestion of contact and communication with British officers, which he thought would greatly facilitate matters. If Kaf were granted to and occupied by him he would issue instructions to his subordinates to see British officers regularly; he believed that this would lead to a general understanding, and it was in fact one of the things for which he asked.

I then referred to memorandum No. 1* in which His Highness had claimed a frontier considerably nearer the Hejaz Railway than had been offered him. At a previous conversation I had indicated a certain point as being fixed, and I wished to learn why he desired the line to be pushed back to the west. The area in question was remote from Nejd and the tribes grazing in it belonged to Trans-Jordan. His Majesty's Government considered it necessary that they should have sufficient room for their needs without having to enter Nejd territory. I added that to an impartial observer there appeared to be only two reasons for his wishing to acquire this territory: one was to bring influence to bear on Trans-Jordan tribes and the other that he wished to get within closer reach of the Hejaz Railway. The latter question was one affecting the British Government closely, as under the terms of the Peace Treaties they had undertaken responsibilities in regard to those portions of the Hejaz Railway which lay within British Mandated territory. They must, therefore, insist on a sufficiently wide margin to ensure that the Railway would remain secure from interference. Regarding the former point, they could not permit any policy of " peaceful penetration " and the Trans-Jordan tribes must have the bulk of their traditional grazing grounds and full freedom of movement. His Highness said he would like to examine that question with his advisers and would reply later, to which I agreed.

* Annexure 4..

I repeated to Ibn Sa'ud that my instructions were explicit in regard to the northern boundary, but added that I was prepared to discuss any questions, such as that of the development and protection of trade, regarding which His Highness might think it advisable for his staff to draw up proposals for consideration.

I then suggested that if we postponed further discussion till later in the day we might perhaps advance a step nearer agreement in matters upon which we now differed. Ibn Sa'ud agreed and thought it would help matters if I were to consider his arguments on paper, to which I agreed, adding that I was naturally anxious to conclude negotiations as soon as possible so that His Highness could attend to the arduous duties his large kingdom entailed, and I to my affairs elsewhere.

I then drew Ibn Sa'ud's attention to a report in my possession of his meeting with Sir Percy Cox in November, 1922, when the frontier question was discussed and general agreement reached. It was true that since that date the question of Kaf had arisen, but nevertheless His Highness' advisers had now put forward a memorandum which made claims greatly in excess of those admitted at that interview. Ibn Sa'ud stated that no definite demand had been made at that time, but Sir Percy Cox had made certain proposals which Ibn Sa'ud had agreed to accept, not as a frontier, but as a basis for discussion and negotiations.

Ibn Sa'ud said that he would prefer, if possible, that at the next meeting we should endeavour to clear the question of Trans-Jordan, and he desired to know whether the question of Kaf was to be reconsidered or was now settled in his favour. I replied that he must put forward proposals which would stand some chance of being acceptable to His Majesty's Government, who had strong and valid reasons for wishing to include Kaf in Trans-Jordan. So far he had not done so, and I considered that he would have to retreat from the position which he had taken up in the matter if he wished to avoid a deadlock. I had stated the wishes and requirements of His Majesty's Government, which could not be modified unless he was able entirely to remove the apprehensions to which they were due.

Ibn Sa'ud was of opinion that this procedure had its faults. The question concerning the northern part of the boundary was a difficult one, but he had already expressed his views concerning Kaf and had made the suggestions for which he had been asked.

The third question was a comparatively easy one and could be settled quickly.

The meeting then ended, having lasted from 9 a.m. till 11 a.m.

Third Meeting.

The third meeting took place on Tuesday, the 13th October, in my reception tent at 9 a.m., and was attended by Ibn Sa'ud, Sheikh Yusuf Yasin, Sheikh Hafiz Wahba, Mr. Antonius and myself.

I opened the proceedings by asking permission of His Highness to say a few words of a general nature. Up to the present we had discussed the isolated question of Kaf at considerable length. I had already told His Highness quite frankly what His Majesty's Government wanted and explained their reasons. His Highness, on

the other hand, had, through his staff, put up unofficial memoranda summarising his views on the subject, and between the two points of view there was wide divergence. I felt that the general issues were so important that it was essential that no hasty decision should be taken and that the whole situation should be considered very carefully. I had given His Highness detailed reasons for the attitude of His Majesty's Government, which was dictated largely by considerations of a military nature, and in this connection I would draw his attention to the appointment as High Commissioner in Palestine of Field-Marshal Lord Plumer, a very distinguished soldier, by whom the defensive aspect was naturally regarded with especial interest. I would, however, ask His Highness to leave the question of Kaf for the moment and bear with me while I gave a brief appreciation on his own position in regard to Great Britain as it struck me. No one had a more complete knowledge of the internal situation in Arabia than His Highness, but he might be interested in what I had to say speaking from a wider point of view. Yesterday His Highness had given me privately a short history of his own career, from which it was obvious that he had performed a wonderful task in restoring and expanding the fortunes of his family and of his country. But that very expansion must inevitably bring him into closer contact with the outside world, and he would then feel increasingly the need of a powerful friend to assist him in dealing with forces to which he had not hitherto been exposed. His Highness had already signified his strong desire for complete friendship and co-operation with Great Britain, but I should like to bring home to him some of those factors in the situation which rendered such a friendship essential to the welfare of Nejd.

I then made a brief review of Imperial interests and policy in regard to India, the Persian Gulf, the Red Sea, the Sudan, Egypt, Palestine, Trans-Jordan and 'Iraq, giving Ibn Sa'ud an implied reminder of the fact that his country was completely encircled by British possessions or spheres of influence, and emphasizing the advantages to him of complete understanding and cordial co-operation with Great Britain.

There was nothing extravagant, I added, in the demands of His Majesty's Government, and I would ask him, while reflecting on the position of the British Armies at the close of the war, to consider what Great Britain could have demanded then if her policy had been one of aggrandisement and conquest. It was for His Highness to appreciate the value he attached to the friendship of Great Britain and the measure of sacrifice he was prepared to make to attain it. Great Britain's sympathy with Arab aspirations was well known, and I for my part should not fail to explore every possible avenue with a view to reaching a satisfactory understanding. I suggested that he would do well to consider the situation and reflect further on our discussions to date. I then proposed that we either adjourn or proceed to another point.

Ibn Sa'ud replied that he fully realized the position of Great Britain in the Near and Middle East and that he prized British friendship very highly. It was essential for Arab countries in their own interests to seek the friendship of Great Britain and to formulate their policy on the basis of that friendship. If, however, Great Britain had been ready to spend so much in men and money in order to secure the friendship of some of those countries which I had

mentioned, surely it would not be too much to ask her to hold out her hand to his country, where no expenditure in money or lives was concerned. The arguments which I had used were precisely those which gave him to hope that his aspirations would be realized. Further, the States to which he alluded had reached a certain stage of stability and strength, whereas the country which His Highness represented had no military strength or force which could be in any way a menace to the interests of Great Britain. As for the necessity of making sacrifices in the cause of friendship, he maintained he had already done much for the cause of Great Britain, and as regards her special position in India, the Persian Gulf and elsewhere, he regarded that position as one of his sources of strength. He had put a stop to all intrigues directed against Great Britain. He had also refrained from entering into any agreements with Arabs or with other nations and, because he believed in the value of British friendship, he had persistently refused to contract understandings with any other country. He realized that necessity might sometimes force Great Britain to seek extension, but he was convinced that she would never do so beyond what was right and natural. If His Majesty's Government fully realized all these considerations he felt confident that they would help him and, if they suspected his loyalty and good intentions, they would hardly have been ready to send a special envoy to confer with him.

I told His Highness that, while I was glad to hear his remarks and his view of the situation, I should have to think over the divergence between us very carefully. I pointed out that the proposals put forward by His Majesty's Government through my agency were extremely moderate and that there was a chance for him to cement and seal the friendship which he professed and which the British Government was most anxious to promote. In accordance with the measure in which the wishes of His Majesty's Government were met so their confidence and trust would be confirmed. I repeated that I must consider the whole situation carefully before I came to any decision, as I felt that any hasty action should be avoided and that all parties must have time for reflection. I added that, on second thoughts, I was inclined to the opinion that to proceed to the consideration of other questions at this stage might confuse the issue at present before us.

Ibn Sa'ud was of opinion that a thing begun should be finished. He himself was a peaceful man and had explained to me his position in all its aspects.

I stated that the question was whether or not to take action which might be irrevocable, but that in any case I greatly appreciated the personal attitude of His Highness and the manner in which he made it possible to discuss all these matters with complete frankness.

Ibn Sa'ud assured me that his attitude would always be the same and that our personal friendship would always be maintained, to which I made a suitable reply.

Finally His Highness expressed the hope that an agreement would be reached for three reasons—first, because of my presence in his country; secondly, because the interests of Arab countries and Great Britain were closely connected; and thirdly, because by sending a special envoy His Majesty's Government had proved their desire for the friendship of his country.

The meeting ended at 11 a.m.

Fourth Meeting.

The fourth meeting opened at 8.45 a.m. on Wednesday, the 14th October, with the same attendance as before.

I enquired whether His Highness had anything further to say on the subject which we had been discussing, and he replied that he had nothing to add.

I said that His Highness had put forward certain historical and political arguments which, while they had a certain weight, did not meet the requirements of His Majesty's Government. Those requirements, as I had already pointed out, were based entirely on practical facts to meet which I must have something concrete. One of the most salient of those facts, and one that weighed with the military authorities, was that a serious attack had been made on Trans-Jordan in August, 1924, which but for prompt and decisive action by British forces would have had very grave consequences. If an attack on Amman itself had been allowed to materialize it would probably have led to a permanent rupture between His Majesty's Government and His Highness. In answer to facts such as this, something more tangible than historical and political arguments was required. That was my position. At the same time His Majesty's Government were sincerely desirous of coming to an understanding with His Highness and of cementing a lasting friendship with him; and my presence in his country to discuss matters with him was evidence of their intentions. So far, to my great regret, we had been unable to agree on an important point. In order, therefore, that we should not waste time valuable to His Highness or trespass longer than necessary on his generous hospitality, I thought it would be well to leave that point for the present and proceed to a preliminary consideration of a perhaps less contentious subject which I was charged to discuss with His Highness. If that was agreeable and convenient to His Highness I should like a day for the purpose of writing up my record of what had taken place and preparing the other questions for discussion with him on the following morning. I hoped also that further reflection might help matters, and I was determined to spare no effort to reach an agreement.

Ibn Sa'ud said he agreed to leave this subject and pass on to other matters; the order of discussion was not important, and by a change we might be more likely to come to an agreement. I had, however, made certain statements to which he would like to reply. I had asked for more definite proposals and for actual facts. He would like to explain that, since Great Britain must realize his position with regard to Kaf and desired an alliance and friendship, concessions should come first from the strong rather than the weak; in view of the friendship of Great Britain and of the fact that I had been sent as her representative, agreement would then be easy. An important fact, in his opinion, was the letter they had received from the British Agent at Bahrein, not so much on account of the letter itself, but because it had been made known by him to all his tribes and subjects. He had been compelled to communicate the contents of that letter to the tribes in consequence of the raid on Trans-Jordan, as he had felt it necessary to inform them of the exact limits of his territory. He must decline to take any responsibility for the raid on Trans-Jordan and he must place that responsibility on Great

Britain. When it was evident that the Conference at Kuweit had failed the tribes became disturbed and intrigues were started. He had communicated his fears of trouble to His Majesty's Government and had been told in reply that a speedy settlement would be made. Certain tribes in Trans-Jordan had attacked his subjects, namely, the Shararat and portions of the Ruwalla tribe, and had taken from them 80 herds (ra'iya). There had also been other raids, and he had submitted protests to His Majesty's Government, but had received no reply. As no satisfaction had been given, and especially as no reply had been received from His Majesty's Government, the tribes had taken matters into their own hands and he had been unable to prevent them from retaliating. Subsequently he had submitted a protest against the use of armoured cars and tanks. He was anxious to prove that he was not responsible for that raid.

I replied that I was afraid that his arguments would not be very convincing to the British Government especially as there was one particular feature with regard to the raid in question that could not be disregarded. It was a serious attack on the capital and seat of government in Trans-Jordan, and I was sure that His Highness must realise that His Majesty's Government could not view it in the light of an ordinary raid.

Ibn Sa'ud insisted that the first attack had been against him. I said that His Majesty's Government were forced to regard the Kaf district as a point from which Trans-Jordan could be threatened: it might at any moment become the focus of an attack. I thought it better, however, to leave this matter for the time being for further reflection as already agreed. I was most anxious to come to an agreement on this matter in the interests of future friendship between His Majesty's Government and His Highness, which I felt would be in the interests of both and particularly, if I might say so, of His Highness and his country, the State of Nejd. I concluded by commenting on the atmosphere of good feeling that had prevailed throughout our discussions, an atmosphere which differences of opinion had not been permitted to dissipate.

His Highness replied that personal relations would always remain unchanged as there were no ulterior motives in question. Friendship between Great Britain and his country was not only friendship for its own sake but would lead to reciprocal benefits and was in the best interests of both countries. He thought that the differences between us was similar to that between two political parties in England, both of which worked for the good of their country in their own particular way.

I said there were two kinds of friendship, natural and artificial. Natural friendships were lasting and survived temporary disagreement, but artificial friendships soon faded. I believed this was a natural friendship and would come into its own in due course.

Ibn Sa'ud said he had something further to say on the question of Kaf, and asked whether he should say it then or after the debates on the other questions, to which I replied that, if it were all the same to His Highness, I would prefer to wait until another day. Ibn Sa'ud then intimated that he was ready to discuss the other subjects, and a meeting was fixed for the following day (Thursday, the 15th October).

Before leaving, I suggested that, on the Friday, His Highness might desire to visit Mecca. I should be able to devote my time on

that day to preparing other subjects for debate and writing my record of discussions up to date, so I begged that he would study his own convenience in the matter.

Ibn Sa'ud expressed his gratitude, saying that he was glad of the opportunity of visiting Mecca and attending the Friday prayers, more especially as his two younger sons, whom he had not seen for over a year, were expected to arrive in Mecca from Riadh on that day.

The meeting ended at 10.30 a.m.

Fifth Meeting.

The fifth meeting took place on Thursday, the 15th October, at 9 a.m., with the same attendance as previously.

I proposed that we should go through the outstanding questions with regard to 'Iraq which were not settled at the various conferences which had taken place. We had as a basis the Muhammara Convention, signed in May, 1922 (7th Ramadan, 1340), which was followed by two protocols concluded in 1923 (1341). Subsequently the Kuweit Conference was held, which had not led to any definite conclusion, but at which agreement had been reached on certain points. I wished to give a brief résumé of what had happened at that Conference.

It was agreed (*a*) that tribes raiding the territory of another Government should be punished and that the Chiefs of the offending tribes would be held responsible; (*b*) that there should be no direct correspondence on official or political matters between one Government and Chiefs or officials of the other Government; (*c*) that the armed forces of one country should not pursue refugees across the frontier between the two countries except by mutual agreement between the two Governments; (*d*) that Sheikhs holding official positions and possessing flags should not display them when in the territory of the other country. I believed that those were all the points on which agreement had been reached.

Sheikh Hafiz said that the first point had only been agreed upon with the proviso that it would be necessary to arrange for the restitution or extradition of offenders and to make raiding a punishable offence. Agreement on the part of the Nejd delegates was made conditional on an extradition treaty.

I then explained that the next point was one upon which no agreement had been arrived at; it dealt with the return of persons or tribes who had fled from one territory to the other. This included the question of extradition, and was the principal matter at issue with which they had to deal, being the one on which most of the other differences of opinion had hinged. There was, however, one other question about armed forces. It had been agreed that either side could call up for military service those of their tribesmen who might be residing at the time in the territory of the other Government, and that no objection would be offered to those tribesmen responding to that call provided they were put under no compulsion to do so. The 'Iraq Government had, however, insisted that they should take with them their families and belongings, but this was not agreed to by the Government of Nejd. There was another point

with regard to inspectors of boundaries which had not been agreed upon, but that was a measure which could be discussed after other matters had been settled; it was not yet clear what the duties of these inspectors would be, and the matter could be left for the present.

That I thought was the general situation, and it appeared to me that the main point of difference concerned the return of tribes by one Government on the demand of the other. I asked whether His Highness would tell me if any general point of principle had been omitted.

His Highness intimated that he would like to reply informally. In the first place, he said, all agreement should aim at promoting peace and tranquillity on the border. He must state frankly that the incidents and happenings in 'Iraq had been caused by people wishing to promote trouble, and it was his firm conviction that, however far-reaching an agreement, the desired peace and tranquillity would not be attained unless one principle was laid down and acted upon by both parties. The principle he advocated was to make the tribes in both countries responsible to their Governments. So long as it remained possible for certain tribes to leave their Government and seek shelter under another Government, so long would there be no peace whatever. An agreement which did not rest upon that principle would not be worth five days' purchase.

I observed that this was the main principle on which the two parties at Kuweit had been unable to agree. It meant that each Government, in His Highness' view, should undertake, at the request of the other Government, to return any tribe or portion of a tribe or party of individuals which might seek refuge in the territory of the other government.

Ibn Sa'ud said that was what he asked for.

I enquired if His Highness found that tribes were in fact continually passing from his territory to the other. He replied that this did not happen on any large scale; a few might go over for climatic reasons—the absence or presence of rain would account for most of those who did go—but they were isolated cases. There were exceptions in the case of the Shammar and other tribes, but generally speaking he knew his own people and did not think they would leave him in any appreciable number, although trouble was always liable to be caused by intrigues.

I stated that I was trying to get at the actual existing conditions, and it appeared to me that, unless there was a general tendency of his tribes to go over, the practical benefit of the measure for which he was pressing was not very apparent. I had some difficulty in appreciating the practical value of what His Highness laid down as an essential principle for the prevention of raids.

Ibn Sa'ud said that the main reason on which he based his demand for laying down the principle referred to was that it would enable him to check the movements of tribes who raid and those who cross the border. It had been said that tribes raiding in another territory would hardly be likely to raid tribes in their own territory, but that kind of thing did happen. He instanced the case of Yusuf Sa'dun, an 'Iraqi Chief, who came over to His Highness but who was refused

a flag. Sa'dun, however, went to some tribes near the border and, pretending he came with orders from Ibn Sa'ud, persuaded them to join him in raiding tribes across the frontier. His Highness was very angry when he heard of this and took immediate steps to recover all looted property which was returned to the tribes, who had since stated that all their losses had been made good. King Faisal, however, had sent for Sa'dun and asked why he had played this trick, to which Sa'dun replied that he had thought his action would please the 'Iraq Government and annoy Ibn Sa'ud. Sa'dun was loaded with presents and made much of and is said now to be in the service of the 'Iraq Government. His Highness thought this case had a bearing on the point in question.

I pointed out that Sa'dun had started on his exploit as an 'Iraqi and not as a subject of Nejd, and if his Government accepted his version of the affair that was their responsibility.

Ibn Sa'ud said that the tribes who had raided with Sa'dun had been punished by him and that afterwards they had gone to 'Iraq.

I agreed that the story, if true, which I was not in a position to admit, was instructive, but I did not think it supported His Highness' arguments. In such a case the proper course would have been to deal suitably with Yusuf Sa'dun but not to have endeavoured to attract those tribes to come over. If the two governments acted loyally towards each other I did not see that the principle to which he attached so great importance was in fact essential.

Ibn Sa'ud asked what would happen if a tribe raided in its own country and then sought refuge in another. I agreed that such cases might occasionally occur but, even if an Extradition Treaty were in force it could not be applied to political offenders. All the same I could see that it was His Highness' point of view that it would assist him in governing his country if the tribes knew they could not run away to another country with impunity.

In answer to Ibn Sa'ud's question as to what would happen supposing the King of 'Iraq spread the news that tribes could not be sent back and urged them therefore to go over to him, I said that my knowledge of the 'Iraq Government assured me that such a suggestion was entirely unwarranted; indeed, the 'Iraq Government had declared that they were willing to undertake to discourage tribes from coming into their country. Ibn Sa'ud asked what he should do if a tribe came over to him. I said that if a tribe chose to come across that tribe could not be prevented from so doing and asylum could not be refused. His Highness repeated that he was perfectly convinced that unless the clause about the restitution of tribes were embodied in the agreement it would be worthless, and added that he could not subscribe to any agreement which did not contain the provision he wanted. I replied that I was sorry that His Highness should take up this attitude, and had I been aware of it before I should certainly not have thought it worth while coming all this way to discuss the question with him. The 'Iraq Government would not agree to that principle; the British Government were of opinion that 'Iraq was right; and if the point were pressed I must drop the whole question. I was not asking His Highness to subscribe to any agreement which he considered to be wrong in principle, and I could not see why he should obstinately maintain his attitude and refuse to consider anything that did not

give him everything he wanted. If His Highness would consider the advances which the 'Iraq Government had made he would see that an agreement was possible which would certainly improve the position compared with what it was to-day. To put it briefly, at present there was no agreement at all except that both sides had agreed that something should be done to improve order in both countries. The remedy suggested by His Highness was that whenever a tribe moved from one side to the other it should be sent back at the request of its Government. The 'Iraq Government could not go as far as that, but were prepared to discourage tribes from coming over by all possible means and to instruct their subordinates to do the same. Also they would probably be willing, if a tribe did go over, to take from it such guarantees as to deter it from raiding and to come to an arrangement for the restitution of raided property. That was the situation, and it appeared to be unreasonable to refuse to discuss those conditions.

I added that I thought I could see what was at the back of His Highness' mind; he was under the impression that the 'Iraq Government would in practice do nothing in the matter. I was quite unable to subscribe to that view, which, for all I knew, might be reciprocated by the 'Iraq Government towards His Highness. My only possible attitude was to assume that both Governments were sincere and would act loyally. I added that the question of extradition of tribes was familiar to His Majesty's Government and had been frequently discussed between the Governments of India and Afghanistan, but the Government of India had always refused to entertain such an arrangement, not through obstinacy, but because they had gone into the question thoroughly and had come to the conclusion that it was not right or feasible. The situation at present was that there was nothing to prevent 'Iraq or Nejd from enticing away tribes from the other, and if tribes did come over there was nothing to guarantee their good behaviour. His Highness was apparently rejecting certain concessions on the part of the 'Iraq Government which could not do any harm and which would certainly improve the situation.

Sheikh Hafiz then endeavoured to relieve the tension by saying that he would like to say a word or two in elucidation of the question. There were two ways of seeking refuge. One was the *hijra*, that is to say, the migration of a tribe which for its own convenience found it necessary to settle in another country. The other was the refugee in the stricter sense of the word. There were a number of tribes living in Nejd who were at feud with each other, and if it became known that there was to be no extradition treaty between Nejd and 'Iraq the door would be opened for those tribes to seek refuge in the other country merely to escape punishment which might otherwise fall to their lot. What was required and what they were working for was some kind of instrument which would put an end to that kind of thing. It went without saying that if offending tribes were free to seek shelter in the other country they would be encouraged to commit raids and to plunder.

I said that, as we had been unable to come to any agreement, I proposed to draw up a draft agreement and submit it to His Highness so that we could discuss its terms in detail. That draft would embody what the 'Iraq Government was prepared to do, and, while it would not go so far as His Highness wished, it would go a long way in the direction of his wishes.

Ibn Sa'ud said he welcomed the suggestion. It was not obstinacy on his part; he was simply anxious to arrive at some settlement which would lead to peace. He would like to point out, however, that the door might be left open for 'Iraq tribes to seek shelter with him and that tribes seeking refuge might not always be from Nejd. As he had said before, he knew his own tribes and was sure of them, but there were a few individuals who might cause trouble and harm, and that was the reason he pressed the principle which he thought should form the basis of any agreement. At the same time, he welcomed my suggestion of preparing a draft agreement.

I replied that although the draft agreement might not, and indeed would not, embody the principle to which His Highness attached so much importance, it would not be contrary to the interests which he had at heart. I begged him to reconsider an attitude which could only prejudice the chances of a satisfactory agreement on all points, and which I was bound to tell him was, in my opinion, exceedingly unreasonable.

Ibn Sa'ud hoped that his arguments would not be taken as evidence of obstinacy on his part. He had put forward the principle which we had discussed because he was convinced that any agreement which did not embody it would be unsuccessful in preventing mischief, and he thought it his duty to point this out to His Majesty's Government. He did not think that conditions in other countries applied to Arab countries. Under the proposed agreement if an Arab were to kill or transgress in some way, how were they to lay hands on him? Nevertheless, he approved the suggestion of a draft agreement, but he would ask that his view be embodied in the preamble of such agreement.

I said I would, that afternoon or the next morning, prepare an informal draft which I would have translated into Arabic for the benefit of His Highness. In the present circumstances this appeared to be the only way in which we could progress. Ibn Sa'ud said that the advantage of discussing everything was that it helped to make the position clear. I agreed, and added that His Majesty's Government were most anxious that an agreement should be concluded which they were convinced would, given cordial co-operation on both sides, tend to improve matters, not rapidly perhaps, but at least slowly and surely.

The meeting adjourned at 12 noon.

That afternoon Ibn Sa'ud went to Mecca on the understanding that he would spend there the whole of Friday and return to the camp early on Saturday. At midday on the Saturday, however, a message came from him to the effect that important affairs of State required his presence in Mecca until Sunday evening, but that, if I pressed it, he would be prepared to return to the camp on Saturday night. I replied asking His Highness to suit his convenience, and in the interval I arranged for the draft agreement to be completed and communicated to the Sultan's advisers so that they might examine it against his return. Ibn Sa'ud eventually returned at sunset on Sunday and I had an informal interview with him that night. The negotiations were resumed on the following morning.

Sixth Meeting.

The sixth meeting took place on Monday, the 19th October, at 9 a.m., with the same attendance as before.

I enquired whether His Highness had been able to study the draft agreement which I had drawn up, and he replied that he had seen it but it did not appear to him to make any change from what had been proposed at the Kuweit Conference. I said that, although the draft did not contain everything that His Highness desired, it was designed to meet the wishes of His Majesty's Government and the 'Iraq Government while going as far as possible in the direction required by Nejd. I hoped, therefore, that he would be able to accept it as an instrument which would improve the existing situation on the frontier. I repeated that the Government of 'Iraq were taking energetic action in regard to the Nejd Shammar and had removed them as far as possible from the Nejd frontier.

Ibn Sa'ud said that he had heard of the removal of the Shammar to the Mosul district, but he did not believe that any substantial improvement would result; apparently they had been raiding again in the direction of Jauf, and he believed they were in that area at the present moment. He had no fear as far as his own tribes were concerned, and he pressed his point, first, because his religion and his honour demanded it, and secondly, because he was convinced that peace and order on the frontier could only be attained by the acceptance of a principle which he felt sure would prove to be the only deterrent. An agreement such as that now drafted would, he feared, be a solution in name only, though he would of course loyally subscribe to the terms of any agreement to which he put his name. He asked that his objections should be noted, so that if trouble did ensue, he might not be held responsible, and begged me to give very minute consideration to his proposal. His object was to avoid conflict and discussion with the 'Iraq Government as far as possible and to let each Government attend to its own affairs.

I said that in matters affecting the nomad tribes on the borders I was prepared to admit His Highness' great knowledge and experience, but his methods of dealing with them were not necessarily possible of adoption by Governments which were differently situated. His Majesty's Government and the 'Iraq Government were both convinced that the principle recommended by His Highness could not be admitted or enforced.

I then asked him whether, in the event of an agreement based on the principle which he desired being concluded, he would ask for the return of the whole of the Nejd Shammar. Ibn Sa'ud replied that the return to Nejd of the Shammar had previously been the subject of correspondence with Sir Percy Cox, and it had been agreed that they should be surrendered; but this had never been done. Personally, he had no wish for their return to Nejd, where they would probably only create trouble—indeed, he would prefer that they should be sent still further away—but they were a constant threat to peace and that was why he wanted them handed over.

After further discussion on minor questions and hypotheses put forward by Ibn Sa'ud, I observed that it was beyond the wit of men to devise any instrument which could work successfully unless both parties were prepared to do their best to co-operate. It was not my

wish, nor was I competent, to argue with him on the intricacies of tribal raids and customs; I was charged with an endeavour to produce an arrangement, based on an agreement between the two States, which would assist towards the prevention and settlement of cases of raiding and violation of order. If His Highness agreed to subscribe to an agreement designed to improve matters, well and good; if he was unable to accept any instrument that did not contain everything he wanted, both in practice and principle, then I was afraid I must admit that I had failed to attain my object.

Ibn Sa'ud said that he had not understood that the purpose of our Conference was to face him with decisions which he must either accept or reject. He thought that the object was to negotiate with a view to coming to an agreement that would be in the interests of both parties, and he asked that this might be borne in mind when taking note of his attitude. If he did not ask questions now when should he ask them? He was only anxious to obtain in as full a measure as possible the main requirements which he had in view.

I replied that I thought His Highness must admit that our discussion had been full and exhaustive, bearing in mind that all these matters had already been comprehensively debated at various meetings and conferences that had taken place, and I did not think that he could accuse me of impatience if I expressed the opinion that we were beginning to go round in a circle. The time was drawing close when we must make up our minds and come to a decision. That was why I had prepared this draft agreement, which I thought would clarify the situation and help us to make some definite progress.

Ibn Sa'ud agreed that, as I had now recorded my views in the form of a draft agreement, he would do the same in a similar document, agreeing wherever he could and putting forward counter-proposals on points where we were at variance.

I noted that His Highness would examine the draft agreement and put up counter-proposals, but I warned him that I had gone as far as I could in regard to the principle to which he attached so much importance.

Ibn Sa'ud assured me that his obstinacy arose from his love of truth and from his earnest desire that when I left I should take with me a promise that could be honoured and fulfilled.

I replied that I welcomed his frankness, but that we must come to an early settlement.

Ibn Sa'ud agreed to prepare his proposals and to submit them during the afternoon, so that they might be considered at an early meeting.

The sitting ended at 11.30 a.m.

Seventh Meeting.

The seventh meeting took place at 4 p.m. on Wednesday, the 21st October, attendance being the same as at the previous meeting.

I informed Ibn Sa'ud that I had examined his counter-proposals and that my observations regarding them fell into two categories:

in certain instances additions and omissions had been made in the draft put forward by His Highness which affected the principle which I had already clearly informed him I was unable to accept; in other respects there were differences that were hardly more than differences of wording.

As regards the alterations which affected the matter of principle, I was unable to agree to the insertion or omission of anything in my draft which might in any way tend to introduce a principle which I was unable to accept, and I must request that in this respect my draft be adhered to; in regard to the matter of wording I suggested that points of this nature could be settled by Mr. Antonius in consultation with Sheikhs Hafiz and Yusuf.

After some discussion Ibn Sa'ud expressed himself ready to give way on the points which I considered essential, and agreed that minor questions of wording should be dealt with by the committee I suggested.

I expressed my appreciation of the attitude which His Highness had now taken up in the matter, and the meeting closed.

Eighth Meeting.

The eighth meeting was held on the evening of Wednesday, the 21st October, at 8 p.m., when I had an interview with His Highness, at which Mr. Antonius and Sheikh Hafiz were present. After a short interchange of the usual compliments and small talk, I informed him that I wished to speak to him in a general manner on issues that had arisen as a result of our conversations, more particularly those regarding the Trans-Jordan frontier. I had given very careful consideration to this particular question in the light of our very full discussions on the various objects of my mission.

I felt that possibly I might not have explained the attitude of His Majesty's Government sufficiently clearly to His Highness. All these questions had been very fully discussed at various conferences and in correspondence, and His Majesty's Government's instructions to me were the outcome of very careful consideration and study of the claims and interests of all parties concerned. These instructions, then, comprised the considered view of His Majesty's Government as to the settlement which they maintained would be fair and just to all. His Majesty's Government had not expected that their proposals would be the subject of protracted bargaining and detailed discussion, but they had sent me here in the confident hope that His Highness would give earnest of his friendly disposition by receiving their offers in the spirit in which they were put forward. I had placed His Majesty's Government's requirements clearly before His Highness and had explained very fully the reasons on which they were based. His Highness had replied by adducing historical and political arguments which, however, were not new and had already received, together with very opposite opinions advanced from other quarters, the full consideration of His Majesty's Government and also of myself, as their Envoy. His Highness had also urged His Majesty's Government's previous statements in respect of Kaf, and I had explained the grounds on which they had changed their attitude. Further, His Highness had also repeatedly assured me of his truly friendly feelings towards Great Britain and of his sincere desire for full understanding and co-operation with His

Majesty's Government, assurances which had afforded me the greatest satisfaction as an earnest of rapid and easy agreement, and which I should not fail to report to my Government.

On the other hand I regretted to have observed that in our discussion previous to our meeting that afternoon there had been but little evidence of willingness on His Highness' part to meet His Majesty's Government's wishes in such a manner as would bring home to them by practical proof the full value of his declarations of friendship. Every point of importance which I had raised had been hotly debated, and I had noticed a tendency to introduce into our discussions an atmosphere of contention and bargaining over every point, which would, I fear, have produced an unfavourable impression on His Majesty's Government had it not been counteracted to some extent by His Highness's attitude that afternoon, of which I took this occasion to express my appreciation. My time was not unlimited, and I was unwilling to trespass indefinitely on His Highness' valuable time and generous hospitality; moreover, it was not in consonance with the dignity with which His Majesty's Government had invested my mission that it should prolong its stay indefinitely in the pursuit of fruitless discussions. I therefore earnestly begged him to give me, in regard to the remaining points for discussion, the same proof of willingness to meet the wishes of His Majesty's Government in a generous spirit as he had displayed at our meeting that afternoon, more especially as it was only by such a course of action that he would secure that confidence and sympathy which His Majesty's Government were only too anxious to offer and which I felt convinced it was in the truest interests of His Highness and the State of Nejd to receive. Failure to reach a settlement and a consequent rupture of negotiations would have a truly lamentable effect on the relations between His Highness and His Majesty's Government.

I trusted that he would take this frank statement in the entirely friendly spirit in which it was made and would give the matter his very early and personal consideration, as I was anxious to dispose without delay of the specific questions with which I was charged, in order that time might still be available for general discussion of any question which he might wish to raise, as being of importance to his country and to its future relations with the British Empire. If His Highness saw fit to give me a favourable reply to the general issue I had raised, I saw no reason why a speedy settlement should not be arrived at.

Ibn Sa'ud reiterated his good intentions and sincere desire for complete understanding with His Majesty's Government. He again rehearsed his former arguments as regards the specific case of Kaf, urging that he had been given fully to understand that His Majesty's Government were prepared to admit that Kaf should lie within his territory and that he had in consequence informed his people of that fact. To retreat from his position in that respect would not only damage his own prestige throughout the country, but would also reflect unfavourably on Great Britain as a Power which was renowned for never failing to keep its pledged word. He was only too anxious to meet me in every possible way and to make what sacrifices he could to arrive at that understanding he so ardently desired; but on this particular point he found himself in a position of extreme difficulty.

I suggested, in reply, that he should think over very carefully my full and frank statement, when he might possibly desire to speak with me again on the subject on the following morning or at some future time.

The meeting then closed.

Ninth Meeting.

The ninth meeting, which was held at the request of Sultan Ibn Sa'ud, took place at 9.30 a.m. on Thursday, 22nd October, Mr. Antonius being present and Ibn Sa'ud being attended by Sheikhs Hafiz and Yusuf.

I enquired whether His Highness had anything to say to me on the subject which we had discussed at the previous meeting.

Ibn Sa'ud replied with a repetition of all his previous professions, maintaining that he had always endeavoured to act in a manner which would not be prejudicial to British interests and had often taken action to preserve them on occasions which might never have come to the notice of His Majesty's Government. He reiterated his desire to meet the wishes of His Majesty's Government in every possible way and impressed upon me his extreme embarrassment and the difficulty of his position with regard to Kaf and the serious effect that would be produced upon his personal prestige and authority were the wishes of His Majesty's Government acceded to on this point.

I replied that matters appeared for the moment to have reached a deadlock, and that further discussion did not seem likely to help matters. I should therefore have to consider the situation and decide upon the course to be pursued. I suggested therefore that we should talk over certain minor points connected with my mission in order that time might not be wasted.

I then raised the point of Nejd representation in Damascus, explained the circumstances as they appeared to His Majesty's Government, and asked what were the views and wishes of His Highness in the matter. Ibn Sa'ud said he would be glad of time in which to refer to correspondence on the subject, after which he would communicate his views.

I then mentioned that I wished to discuss with him the question that was still outstanding between His Government and that of 'Iraq with regard to the restitution of loot which had been taken in the course of various raids between Nejd and 'Iraq. I informed him that I was not in a position to undertake any detailed settlement as I had not with me sufficient data, nor did I consider that such a complicated question was one which was suitable for us to discuss. I thought, however, that it should be possible for us to come to some agreement as to the general procedure which should be adopted in order that a settlement of this vexed question might eventually be arrived at, and I suggested that it might be useful if Taufiq Bey Suwaidi, the 'Iraq delegate, were to have a preliminary discussion with His Highness' advisers on this matter.

Ibn Sa'ud agreed to this suggestion and the meeting then closed. As he rose, the Sultan asked whether I had any objection to his proceeding to Mecca for the Friday visit, and stated that he would make it a point of returning to the camp by Saturday at the latest.

He proceeded to Mecca on Thursday evening and returned, as arranged, on Saturday afternoon.

TENTH MEETING.

The tenth meeting was held on Sunday, the 25th October, at 9 a.m., on the return of Ibn Sa'ud from his usual weekly visit to Mecca; the attendance was as usual.

I informed Ibn Sa'ud that I had given very careful thought to the question of the frontier between Nejd and Trans-Jordan regarding which we had been unable to come to an agreement, and that I had come to the conclusion that, as we had discussed the matter in all its aspects, further discussion was unlikely to be fruitful or to lead to any good results. I had therefore decided that the time had come when my best course would be to frame my final proposals and to submit them to him for his examination and consideration, on the understanding that these proposals represented the utmost limit to which I was able to go and that, subject to discussion on minor points and questions of detail, the principles which they embodied must either be accepted or rejected as a whole.

I went on to say that in framing these proposals I had been influenced not so much by the detailed arguments which had been brought forward by His Highness as by the consideration of the larger issues involved, and among these I quoted: the definite instructions I had received with regard to the requirements of His Majesty's Government; the importance of the interests of all concerned in coming to a satisfactory agreement on an occasion which was not likely to be repeated, and the unfortunate results which must follow a rupture of negotiations; and the consideration which I had felt bound to give to His Highness' personal prestige and authority with his people, by which he would be enabled in the fullest measure to give effect to his declarations of loyalty and friendship to the British Government—declarations which I felt convinced were based on a sincere wish to carry them into effect.

I then informed Ibn Sa'ud that I would recount to him in general terms the substance of the draft agreement which I had now framed.

The draft began with a preamble usual in such documents, which was not a matter which was likely to give rise to any discussion. The first article was most important, as in it I had laid down the frontier between Nejd and Trans-Jordan. In drawing this frontier I had been careful to safeguard fully all the points which His Majesty's Government had laid down as essential and I was quite unable to depart from their instructions in this respect. I had, however, taken the responsibility of using the very full discretion which had been given me in one very important particular, and I had so drawn the frontier line so as to include Kaf and Rekeban in His Highness' territories. I had, however, done this on condition that my proposals were accepted as a whole and that His Highness agreed to certain clauses which I had felt bound to insert in order to safeguard as far as possible those interests, the necessity for preserving which had induced His Majesty's Government to press for the inclusion of Kaf within the territories of Trans-Jordan. I then proceeded to inform His Highness in general terms of those clauses, which included an undertaking on his part that he would not establish any fortified post or military centre in Kaf or in the neighbourhood around it, and that in the event of his finding it necessary to undertake exceptional

operations in that area in the interests of public order he would, without delay, inform His Majesty's Government; that he would prevent by all means at his disposal any incursion into Trans-Jordan territory; that he would promote by all possible means good relations between his representatives in the Wadi Sirhan and the Chief British Representative in Trans-Jordan, and would also promote a regular interchange of visits in order that full co-operation might be secured and that satisfactory relations might be established; that he would preserve existing grazing and other rights of tribes which were not under his jurisdiction but which they might possess in the Wadi Sirhan and neighbourhood.

I then rehearsed the remaining articles of the Agreement which I had drafted, informing Ibn Sa'ud that they were merely articles, already agreed upon as between Nejd and 'Iraq, which I considered would be suitable for inclusion in an agreement affecting Nejd and Trans-Jordan.

I concluded by expressing the hope that my proposals would be accepted by His Highness in the spirit in which they were put forward, and that they would lead to the speedy conclusion of a formal agreement which I felt convinced would be the foundation of permanent good relations between His Majesty's Government and that of His Highness.

His Highness replied by expressing his appreciation of the manner in which a question which affected him deeply and was of the highest importance to his Government had been treated, and of the way in which the Representative of His Majesty's Government had shown a spirit of wise and generous concession. He reiterated his expressions of friendship and loyal intentions, adding that an Agreement based on the lines which I had set out must serve to cement good relations and lead to still closer ties in the future. He expressed his willingness to concur in the terms of the conditional clauses which I had inserted, and stated that they were entirely in accordance with his own wishes. With regard to those portions of the frontier line other than Kaf, he would wait the receipt of my detailed proposals and would give them his full consideration, and he sincerely hoped an agreement would be speedily arrived at.

I then suggested to Ibn Sa'ud that we should close the interview in order that Mr. Antonius might proceed immediately to prepare a translation of my draft Agreement so that it might be submitted to Ibn Sa'ud as quickly as possible.

The meeting then closed.

ELEVENTH MEETING.

The eleventh meeting was held on Monday, the 26th October, at 9 a.m., with the usual attendance.

I asked Ibn Sa'ud whether he had considered the proposals which I had submitted to him on the previous afternoon in the form of a draft agreement, and whether he was prepared to give me his observations thereon.

He started by saying that there was little that he objected to in the proposals, except in regard to two special points upon which he

would like to give me his views. The first was in connection with the frontier which I had proposed to the north of Kaf. He urged that the frontier ran too close to Kaf and would exclude the grazing ground in the neighbourhood of Rashrashiya and Jebel Thughra from Nejd and thereby deprive the inhabitants of Kaf of their use. He asked therefore that the frontier should be moved at least 15 miles to the northwards in order to meet this difficulty.

To this I pointed out that throughout our discussions there had been no question of contesting the grazing rights of tribes who had been in the habit of moving across the frontier, and those grazing rights could be safeguarded in this case, both on the south of the proposed frontier as well as on the north. I agreed, however, to consider this particular point and see whether I could do anything towards meeting His Highness' wishes.

The second point he raised was with regard to the southern sector of the frontier, in which he suggested the creation of a neutral enclave consisting of a quadrilateral enclosed by the following sides: from the intersection of meridian 37° E. with parallel 31° N.; to the intersection of meridian 38° E. and parallel 30° N.; then southwards along meridian 38° E. to the fixed point west of the Nafud Salient; thence along a straight line due east to meridian 37° E.; and from there northwards along meridian 37° E. to the starting point.

He urged that the establishment of this neutral area, the principle of which had already been adopted in the case of the 'Iraq frontier, would tend to the better maintenance of peace and order. After further discussion he withdrew this claim and substituted for it a proposal that the area in that rectangle should be halved and that the eastern half should go to Nejd and the other to Trans-Jordan.

On this point I replied that, although unaware of the peculiar circumstances which had rendered the formation of an enclave on the 'Iraq frontier advisable, I was fully acquainted with the conditions of the Trans-Jordan frontier and was convinced that, far from improving conditions in that area the admission of a neutral zone would be liable to render them more unsatisfactory. I added that in any case I was quite unable to discuss any movement of the southern sector of the frontier which I had suggested to a line farther to the west, and that I had already informed him at an early interview that that portion of the frontier must be regarded as fixed.

With regard to the northern frontier, Ibn Sa'ud put forward a demand for a similar neutral zone to be determined by a triangle enclosed by the following lines: with the apex at the starting point of the frontier, that is to say, at the intersection of meridian 39° E. and parallel 32° N., two straight lines were to be drawn, the one running in a north-westerly direction to some point to be determined later on meridian 37° E., the other running in a south-westerly direction to some point also to be agreed upon later on meridian 37° E.

He gave as his reasons for this request trade interests and communication with Syria, which were always liable to interference and raiding from the north.

I replied that I was quite unable to entertain this proposal As stated at an early meeting, the limits of the northern portion of the

frontier were to be regarded as definitely fixed and, in view of this and of the Imperial interests involved, I was unable to consider or discuss any such proposals. On the other hand, I was prepared to consider measures by which the trade and commercial interests in that area could be safeguarded, not by any alteration of the frontier but by the granting of proper facilities to caravans.

Ibn Sa'ud then argued on these various points at some length, but the reasons which he produced in support of his demands struck me not only as inadequate but, for the most part, as disingenuous.

I then closed the interview by expressing my regret that with the exception of the two points to which I had agreed to give consideration I was unable to make any changes in the position which I had taken up or in the proposals which I had put forward, both of which were the result of mature consideration of the arguments produced and the facts of the situation. I trusted, therefore, that His Highness would now consider the matter in the light of my remarks and would give me an early reply which would enable me to close the discussions and to proceed to the detailed work of drafting an agreement, in order that our stay, which had already assumed undue proportions, should be brought to an end as soon as possible.

The meeting then closed at 11.30 a.m.

Twelfth Meeting.

The twelfth meeting took place in the afternoon on the 26th October, at which the attendance was as usual.

I asked Ibn Sa'ud if he had reconsidered the question in view of what had taken place at the meeting in the morning, and informed him that, on consideration of the arguments which he had brought forward in regard to the frontier line immediately north of Kaf, I had decided to meet him by pushing the line slightly further to the north and making it run from the point of intersection of meridian 39° E. with parallel 32° N. to the point of intersection of meridian 37° E. with parallel 31° 30′ N., from which point it would proceed in a straight line to the point of intersection on meridian 38° E. and parallel 30° N., leaving all protruding edges of the Wadi Sirhan in Nejd territory. This amendment would secure sufficient pasturage ground for the inhabitants of Kaf.

Ibn Sa'ud expressed his appreciation of this concession and then proceeded to enter into a long discussion regarding the northern frontier, during the course of which he brought forward several arguments and hypotheses with a view to emphasising the necessity of an absolutely free passage in that area between Nejd and Syria.

I informed him in reply that I was quite unable to admit any principle by which Trans-Jordan and 'Iraq would be separated from each other by a strip of territory such as he suggested, but I reiterated my readiness to consider any proposal he might put forward with a view to facilitating trade routes between Nejd and Syria across the strip of Trans-Jordan territory.

In the end it was agreed that his advisers should prepare his proposals and submit them informally for my examination.

The meeting then closed.

Thirteenth Meeting.

The thirteenth meeting was held on Tuesday, the 27th October, at 9 a.m., with the usual attendance.

I opened the proceedings by informing His Highness that I wished to speak for a few minutes on the question which we had discussed yesterday. His advisers had submitted an informal document which was in effect a counter-draft to the one I had put up., I had studied their draft carefully and had come to the conclusion that, while it contained various amendments, additions and alterations in wording, it did not offer any basis for discussion. For the most part these alterations had the effect of undermining and weakening the principles laid down in my draft proposals, if not of making them entirely ineffective. I feared, therefore, that I must reject them as a whole. I pointed out that my draft proposals had been drawn up after full discussion and careful study of the question from every point of view, and that they represented the limit to which I was able to go. I had gone a very long way towards meeting His Highness' wishes on the very important question of Kaf and had made a further concession by moving the frontier line a few miles further to the north of Kaf, in deference to His Highness' request. I had stated that I was also prepared to consider questions of trade facilities on the northern frontier, though I was unable to do so on the lines suggested in the draft which had been submitted to me by his advisers. I was afraid that further discussion would only tend to confuse the issue, and I asked His Highness again to think the matter over very carefully and inform me whether or not he could accept my draft proposals in their full spirit. If, as I sincerely hoped and trusted would not be the case, His Highness found he could not subscribe to those proposals and felt bound to reject them, then the only course open to me was to discontinue discussions and take my departure. I wished to make it quite clear, as I had already stated, that my draft proposals must be treated as a whole and that if I were forced to break off negotiations those proposals would be withdrawn as a whole and the situation, including the question of Kaf, would be the same as when I arrived; with the important exception, that His Majesty's Government would be unfavourably impressed by the fact that the Envoy whom they had appointed to treat with His Highness had been unable to reach an agreement, and that it was unlikely that a similar opportunity would arise for arriving at an understanding on the questions we had discussed. An unsuccessful issue to my mission, which had been received here with such cordial declarations of friendship and generous hospitality, would be a cause of the deepest regret to me. I hoped that His Highness would give the matter his earnest consideration and let me know his decision as soon as possible so as to enable me to make arrangements for my future movements.

Ibn Sa'ud enquired if I would tell him my objections to his draft.

I observed that it was not easy for me to criticise his draft without entering into detailed discussion, but that my general objection was that the principles on which my draft was based were weakened and undermined. This applied chiefly to alterations in wording and to sentences included or omitted which, if not carefully studied, might appear to have no particular significance, but which in effect destroyed the efficacy of my proposals. There were one or two

points which had been inserted which I could not accept or discuss. There were certain Imperial interests which had nothing to do with Nejd directly but which must be safeguarded. Trans-Jordan and 'Iraq are on the main air route, and there was the Jerusalem-Baghdad car route, and I could not consider proposals which infringed on those Imperial interests.

Ibn Sa'ud said he understood that and asked whether I had any other objections.

I replied that perhaps His Highness had not had time to study the full significance of his counter-proposals and did not fully appreciate the interpretations which might be put on them. I had endeavoured in wording my own articles to make them clear, frank and open; there were no ulterior motives behind them, and I was at a loss to understand the object of those alterations here and there, unless it was his intention to weaken my articles.

Ibn Sa'ud exclaimed with some warmth that he could not understand my attitude in refusing to discuss the matter. His own attitude was in accordance with what he conceived to be his rights, coupled with the interests of Great Britain, and he did not think there was anyone in the British Government who would deny that he had endeavoured to maintain British interests. He pointed out that from the beginning of these negotiations any demand he had put forward had been met invariably by a denial of discussion. He was an Arab, accustomed to discuss matters in all their aspects and so reach agreement, and to have his suggestions brushed aside touched his pride.

I replied I thought His Highness could hardly say that I had not given every opportunity for full discussion of all questions. I had listened patiently to all that had been said at the different meetings and had made considerable concessions in various directions. I had no doubt, and I thought the British Government had no doubt, of the good intentions of His Highness, and I also fully appreciated that he had the interests of his own country to consider. On the other hand I was in the position of representing His Majesty's Government, whose interests in certain directions I was bound to observe and, after full discussion, there must come a moment when we either could or could not make those interests meet. We had now reached the furthest point to which I found it possible to go, and I had deemed it my duty to put up proposals representing my limit. If His Highness on the other hand had reached what he considered to be his limit, then there was an unfortunate gap between us which we were unable to bridge.

Ibn Sa'ud said he would ask again whether I would state my precise criticisms on his proposals. If there was anything in them likely to be harmful to the interests of Great Britain, he begged that I would point it out. He looked upon himself as the defender of British interests and what I did not like in his demands he hoped I would make known to him.

I said that I had already made my criticisms and I thought the best course now would be for a final draft to be drawn up, after details at issue had been informally discussed by Sheikhs Hafiz and Yusuf with Mr. Antonius, and agreement reached where possible. A final draft could then be submitted to His Highness for his final

consideration. I added that His Highness must realise that I had to justify everything I did, and when I had finally decided on certain matters I could not go back on them. I must, therefore, ensure that the Agreement contained the principles which I felt bound to maintain. That being fully understood, I was prepared to follow the procedure I had suggested and then to produce the final draft.

Ibn Sa'ud, with some heat, replied that there were things in that Agreement which had no place there. For instance, tribes were to be allowed to wander about his territory. It should be remembered that the Wadi Sirhan was his property, and that he had made many concessions to Great Britain. He had Faisal on one side and Abdullah on the other, both new creations fencing him in on either side and both hostile towards him. When he thought of the injustices to himself he was surprised at the moderation of his demands. He would prefer to have his throat cut with a sword rather than have any one infringe upon his rights in his own dominions.

I assured him that there was no intention of infringing upon his rights or his independence, but I thought there was nothing to be gained by a detailed discussion.

Ibn Sa'ud pressed for the consideration of his draft proposals and felt certain that nothing would be found harmful in them to the interests of Great Britain, and it was eventually arranged that Sheikhs Hafiz and Yusuf should go through the two drafts with Mr. Antonius, comparing article with article with a view to determining the precise difference between them and, if possible, producing a final draft.

Ibn Sa'ud said that where there was any divergence in words there was none in actual meaning. He wished to say that what had pleased him very much was that everything in my draft proposals was just and fair. He was sure that I would find nothing but fairness and what was just in his own proposals.

The meeting then adjourned.

Fourteenth Meeting.

The fourteenth meeting was held on Thursday afternoon, the 29th October, with the usual attendance.

I opened proceedings by stating that I had adopted the procedure agreed upon at our last meeting, and lengthy conversations had taken place between Sheikhs Hafiz and Yusuf and Mr. Antonius. I thought we had now arrived at agreement, and I understood that His Highness had been acquainted with the result of those discussions and that he also was in agreement with the terms now arranged. Some of the questions had been referred to me, and I had as far as possible met His Highness' wishes in regard to them. I hoped therefore that the preparation of the final Agreement could now be proceeded with.

There was a point I wished to mention in regard to Kasr Azraq. His Highness asked that fortifications should be forbidden there in the same way as Kaf. I had been unable to agree, as that was a question which affected Imperial interests. Azraq lay on the air and car routes to Baghdad, and in consequence it might be necessary at

any time to take measures for the protection of those routes, but I could assure His Highness that the Government of Trans-Jordan, as such, would not fortify Azraq or use it as a military centre. Any military measures that might be taken would be purely for the protection of Imperial air or car routes and would not in any way be directed against His Highness. At the present time, however, as far as I was aware, there was no intention of any such measures being taken and if any were taken they would only be adopted at the instance of the British Government and not by Trans-Jordan.

Ibn Sa'ud replied by thanking me and saying that it afforded him extreme satisfaction that agreement had been reached on the points discussed. He feared at first that agreement would not be arrived at, and he had felt compelled to make sacrifices in order to come to an agreement and thus to give proof of his goodwill and intentions towards Great Britain.

I said that I greatly appreciated that spirit, and that when my report was written I would not fail to explain His Highness' attitude, which I felt sure would give great satisfaction to the British Government.

Ibn Sa'ud then said that with regard to the Agreement he wished to ask a question or two merely for information and elucidation of certain points. The first was the question of the fortifications which were forbidden at Kaf. He wished to know exactly what he could not fortify. For instance, would he be allowed to build barracks for soldiers; could he build a wall round the place as a protection against marauding tribes, and could he place a machine gun or two on that wall without such precautions being considered as constituting fortifications.

I answered that I did not consider the building of barracks or the taking of reasonable precautions against raiders and for the preservation of order could be considered fortifications. The British authorities would doubtless interpret that clause liberally.

Ibn Sa'ud said it was not the British Government's view that he feared so much as what Trans-Jordan would say, and perhaps other countries. He then proceeded to his next question, which concerned the system of transit, and asked how the regulation would affect a tribe who wished to cross into Syria, not for trading purposes. How would the inspection be carried out. They might possess 10,000 camels, and camels require untouched grazing ground. There was also the question whether they would be allowed to carry personal weapons and ammunition.

I replied that the case he mentioned appeared to be covered by the travelling clause. The provision regarding inspection had to be inserted in the Agreement, because it touched matters dealt with by international conventions, such as traffic in forbidden drugs, etc., and when movements of tribes took place through the territory of another Government some system of control was necessary. In that particular part of the country, however, there were in fact no posts of examination at present and might not be until further conversations on detailed matters concerning trade, customs, etc., had taken place between the Governments concerned. With regard to personal weapons, I did not think this would present any difficulty. An Arab's weapons were almost part of his dress and in the open

desert were probably necessary to him. In towns, however, some system might have to be established whereby weapons would be left at the entrance to a town and collected when leaving.

I then referred to the question of the return of loot taken in past raids between tribes of 'Iraq and Nejd. His Highness and myself had discussed the matter at a previous meeting, and had agreed that it was not possible for us to go into details, but that Taufiq Bey Suwaidi, the 'Iraq delegate, should discuss the question with Sheikhs Hafiz and Yusuf. Taufiq Bey Suwaidi had informed me that he had come to an agreement with His Highness's advisers. I intended, therefore, to send a letter to His Highness, suggesting a procedure based on that agreement. I did not think it was a matter that should form the subject of a formal Agreement between us, but thought that the question could be best arranged by means of an exchange of letters.

Ibn Sa'ud agreed to this procedure.

I then told His Highness that I thought I should acquaint him with the attitude of His Majesty's Government as regards Mr. Philby, who was at present in Jedda. Mr. Philby now held no official position under His Majesty's Government, and, moreover, had come to Jedda against their wishes. It was hardly proper that he should intrude into an area of hostilities in which His Majesty's Government had declared neutrality and were determined to observe it.

Ibn Sa'ud noted my remarks and informed me that he had received a letter from Mr. Philby asking for permission to visit him, travelling either by Rabegh or Lith, to which he had replied saying that he was busy at the moment but that, if Mr. Philby wished to come later, he had no objection to his doing so by way of Rabegh.

The meeting then closed.

Fifteenth Meeting.

An informal fifteenth meeting was held at 8 p.m. on the 30th October, at which were present His Highness Ibn Sa'ud, Mr. Antonius, and Sheikhs Hafiz and Yusuf.

I started the conversation by informing His Highness that, as our negotiations had now been satisfactorily completed, I proposed to devote the few remaining days of my stay to private talks with him, at which I hoped he would bring up any questions concerning his country and its future development, on which he might wish His Majesty's Government to be informed or regarding which he would like their views. I added that there were one or two questions that struck me as being suitable for discussion. One was that of the channel of communication which should be adopted between his Government and His Majesty's Government, who were not entirely satisfied with the present method and would like any suggestions he might have to make with a view to improving it.

Ibn Sa'ud replied that he himself was not satisfied with the present system, which he thought led, at times, to misunderstanding and lack of sympathy on the part of His Majesty's Government owing to their not being fully informed of his needs and of the general

situation. He said that he would think the matter over and talk to me about it later, but there was one opinion he wished to express rather strongly and that was that he felt that, as an independent ruler, dealings between his Government and that of Great Britain should be carried out through the medium of the Foreign Office.

I then suggested that it might be useful if he would give me his views and some idea of his intentions regarding next year's pilgrimage. I emphasised to him the necessity of reassuring the various Governments concerned on this subject if the pilgrimage were to attain anything like its former proportions, and I pointed out to him that a thoroughly well-organised and satisfactory pilgrimage would be one of the best means by which he could show the world at large that his Government was a good one, which ensured security and freedom from oppression. The pilgrims when they left the Hejaz went to all parts of the Moslem world, and their reports as to how they were treated would have more effect than any newspaper propaganda.

Ibn Sa'ud fully agreed and said that it was his firm intention to conduct the pilgrimage arrangements in a satisfactory manner, and he thought they would, in any case, be a great improvement on previous years. He was especially concerned with the question of sanitation and public health and was very ready to receive any hints as to measures which might be considered suitable and desirable, so that he might make adequate preparations by obtaining the services of a sufficient number of medical men. He was also anxious to obtain, as soon as possible, the number of pilgrims likely to perform the pilgrimage next year, so that he might have some basis on which to formulate his arrangements.

I replied that I felt sure His Majesty's Government would be pleased to hear of his good intentions in this respect, and I added that I would do my best to reassure them as to the measures he was prepared to take for safety and general security. It would not be easy, at any rate for some little time, to give any reliable figures as to the probable number of pilgrims, but any information which could be obtained would no doubt be furnished to him as early as possible.

The interview then closed.

Sixteenth Meeting.

On Sunday, the 1st November, a meeting was held with the usual attendance, at which the Bahra Agreement,* dealing with frontier questions between 'Iraq and Nejd, was duly signed. After signature, I had a brief conversation with Ibn Sa'ud, during the course of which I told him that, the Agreement having been satisfactorily concluded, I hoped that he would speak to me on any matters which he felt he would like to bring to the notice of His Majesty's Government.

His Highness thanked me and said there were one or two questions which he wished to raise and that he would be grateful for an opportunity of doing so later on in the day.

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*Annexure 11.

Seventeenth Meeting.

At 4 p.m. on the 1st November I had another informal meeting with His Highness, at which, after a lengthy exposition of his situation and a résumé of past history since the outbreak of the war, he concluded by asking me whether I could assure him that any views he expressed to me would in fact reach His Majesty's Government and receive due consideration.

I replied that His Majesty's Government were anxious to take the opportunity of my visit to ascertain his views on any matters which he wished to bring before them. I assured him that any views which he expressed to me would be transmitted directly to His Majesty's Government, and that I felt sure that they would receive full consideration and elicit a reply in due course.

Ibn Sa'ud expressed his satisfaction at this statement, adding that he had on various occasions given his views to officers of His Majesty's Government, who had promised to convey them to the proper authority, but that hitherto he had received no information as to whether they had been duly considered or not. He then informed me that if I would have another meeting with him in the course of an hour or two he would bring up the questions on which he desired to speak.

Eighteenth Meeting.

At 8 p.m. on the 1st November I had another meeting with Ibn Sa'ud, which he opened by telling me that he wished to raise a question of considerable importance, which was that of the Treaty which now existed between himself and His Majesty's Government. It had been concluded at a time when the War was in progress and his own position at that time was a very different one from that which he occupied to-day. He felt, therefore, that the time had come when both parties should consider whether that Treaty should be revised on lines which were more suitable to existing circumstances.

I replied that I saw the force of his argument, but that the existence of a state of hostilities between him and the Hejaz would probably preclude His Majesty's Government entering into any negotiations as regards a new Treaty at present. To take action in this direction would hardly be in consonance with the declaration of neutrality which His Majesty's Government had made; moreover, it was obvious, I thought, that until the present situation had been liquidated no good purpose would be served by discussing the question, and the date when this might be possible was still vague and uncertain.

Ibn Sa'ud said he fully realised the position in this respect, but he wished to bring seriously to the notice of His Majesty's Government the question of negotiating a new Treaty whenever the circumstances rendered it possible to do so, and he hoped that His Majesty's Government would take this matter into serious consideration and give him a reply in due course.

Ibn Sa'ud then said he had two other questions of lesser importance to raise and, after considerable circumlocution and a good deal of talk about the difficulties of post-war conditions, the rise in the cost of

living, etc., he gave me to understand that his most pressing needs at the moment were arms for his men and funds wherewith to carry on his administration.

I did not think it necessary to comment on these two very indirect requests, which he obviously put forward with considerable diffidence and with no great anticipation of a reply.

Nineteenth Meeting.

At 12 noon on the 2nd November a meeting took place, the attendance being as usual.

At this meeting the Hadda Agreement* was duly signed.

Ibn Sa'ud then took the opportunity of raising two questions which he said he would like to mention to me. The first was that of Sayyid Ahmad as-Senussi, who was at present residing at Mecca. He was anxious to intercede with the British Government on behalf of Sayyid Ahmad, who, he was assured, only entered the war against the Allies under very heavy pressure from the Turks, and who was now anxious to renounce all political activity and go to Egypt, where he hoped to recover some, if not all, of his confiscated property, and then live in peace and seclusion at a suitable place, such as Jaghbub.

I replied that I did not think His Majesty's Government took any particular interest in Sayyid Ahmad's movements at the present time, but that his intentions as now explained to me affected chiefly the Egyptian Government and possibly the Italian Government. I was unable to tell him what the attitude of these two Governments would be or indeed what attitude His Majesty's Government would adopt. I promised, however, to make enquiries in Cairo and, if necessary, in London.

The second question he raised was that of a certain Sheikh who had been expelled from Ma'an by King Hussein and who was anxious to return. Ibn Sa'ud assured me that it was on account of alleged friendship with himself that the man had been expelled from Ma'an, but now that territory was definitely incorporated in mandated area he hoped it would be possible for this man to return.

I informed him that I would speak of the matter to the High Commissioner in Palestine, and suggested that the man's name and the circumstances of his departure from Trans-Jordan might be supplied to me in due course.

Twentieth Meeting.

My last (twentieth) meeting with the Sultan took place at 3.15 p.m. on Monday, the 2nd November, in the Sultan's tent, the attendance being the same as usual.

His Highness seized this opportunity to raise several minor questions, in which he wanted my advice or help.

The first was that of the Ma'an Sheikh, who wanted permission to return to Trans-Jordan. He was brought into the tent and stated that his name was Sheikh Muhammad Krishan Abu Tuhair, that he

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* Annexure 7.

was formerly a member of the Majlis Idara of Ma'an, and that he was well known to Ghalib Pasha Sha'lan, the present Governor of the Ma'an district. I said to Ibn Sa'ud that I would enquire from the authorities in Trans-Jordan and find out whether there was any objection on their part to his being allowed to return.

The second was that of the Nejdi delegation which the Sultan was proposing to send to India. Some two months ago, he had written to the British Consul at Jedda asking him to find out whether visas could be obtained to enable a Nejdi delegation to visit India, and a month later a letter was received from the Consul asking, on behalf of the Government of India, for the names of the proposed members of the delegation. The names were sent at once, but although a whole month had elapsed no reply had yet been received. His Highness went on to say that perhaps the Government of India were objecting to Sheikh Hafiz Wahba, one of the proposed members. I replied that I would make a note of this and take the matter up with the Consul at Jedda.(1)

The third question was that of a harbour on the Persian Gulf. Ibn Sa'ud said that he was dissatisfied with the anchorage of the ports at present in use on the eastern seaboard of his dominions, and that he was proposing to instal a quay and harbour at Ras Tannura, where there was a good anchorage. He intended to communicate with the British India line with a view to finding out whether they could come to some arrangement with him whereby their ships would call regularly at Ras Tannura, and wanted to know whether there was any objection on the part of His Majesty's Government to his doing so. I replied that I would find out and let him know.(2)

Lastly, Ibn Sa'ud said that he wished to obtain my advice on a question of importance, and after some considerable circumlocution revealed what was in his mind. He wanted to know what, in my opinion, would be the effect on the Foreign Consuls and Powers of an attack on Jedda, more especially if that attack were attended with some damage and destruction. I replied, politely but explicitly, that this was not a question on which I could offer an opinion without departing from the neutrality that it was my duty to maintain; and that I declined to offer an opinion, even privately, on a question of that kind.

I took my leave at 5 p.m.

That evening, at 7 p.m., the Sultan sent word that he was returning to Mecca and that he would presently call at my tent to bid me farewell. He came with a large retinue; and, standing in the open a few paces away from our tents, he bade me a long and extremely cordial farewell, punctuated by repeated declarations of personal friendship and of loyalty to His Majesty's Government.

(1) On my way through Jedda I spoke to Mr. Jordan about this question and gave him a brief note in which I expressed my views (note attached) and recommended that he should communicate them to the Government of India, which he did before I left Jedda. (*Vide* page 47).

(2) I propose taking the matter up with the authorities at Bombay.

MEMORANDUM.

At my last interview with Ibn Sa'ud, held on the afternoon of Monday, the 2nd November, His Highness referred to a project he had formed of sending a delegation on his behalf to Egypt, Palestine, 'Iraq and India, with the object, ostensibly at any rate, of making arrangements for next year's pilgrimage. His Highness informed me that he had written to the British Consul, Jedda, to ask him for the necessary facilities, but that no final reply had yet been received. His original request was made some two months ago, and a month later he received a letter from the Consul at Jedda enquiring, on behalf of the Government of India, about the composition of the delegation. Since then no further communication had been received by His Highness, and he wished therefore to ask me whether I would enquire about this matter and do my best to expedite the granting of the necessary permit to enable the delegation to start. His Highness also added that Sheikh Hafiz Wahba was to be a member of that delegation, and hinted that possibly the Government of India might have objected to his inclusion in the delegation.

I replied to His Highness that I would certainly make enquiries about this matter with a view to expediting the reply of the authorities concerned.

GILBERT CLAYTON,
His Britannic Majesty's
Commissioner and Plenipotentiary.

British Agency, Jedda.
5th November, 1925.

ANNEXURE 3.

Memorandum by Mr. G. Antonius on the Eastern Frontier of Trans-Jordan.

The Chief Secretary to the Government of Palestine to Sir Gilbert Clayton, K.B.E., etc.

Government Offices,
Jerusalem.

24th September, 1925.

TJ/30/14.

SIR,

I have the honour to enclose herewith a memorandum prepared by Mr. G. Antonius on certain aspects of your Mission. I am to add that His Excellency the High Commissioner is in general agreement with the recommendations regarding the eastern frontier made in this memorandum.

I have, etc.,
G. S. SYMES,
CHIEF SECRETARY.

Government Offices,
Jerusalem.

22nd September, 1925.

Confidential.

Chief Secretary.

Subject : MISSION TO ARABIA.

In accordance with your verbal instructions, I proceeded to Trans-Jordan and, under the direction of the C.B.R., carried out an investigation into the question of the eastern frontier. Time has not allowed of as full an enquiry as I should have liked to make. No detailed maps were available, but I am endeavouring to obtain a supply on my passage through Cairo.

2. I submit herewith a memorandum with three annexures containing the results of my enquiry, drawn up for the information of Sir Gilbert Clayton. If these conclusions are approved by His Excellency, you will think it fit perhaps to send me a statement to that effect. I may add that Colonel Cox, to whom I submitted the draft, has declared himself in agreement with its contents.

3. I am preparing to leave Jerusalem on the morning of Friday next, the 25th instant. May I take this opportunity to acknowledge my special indebtedness to Mr. A. S. Kirkbride, who accompanied me on my trip to Ma'an and Jafr, and whose knowledge of the tribes and the country were of the greatest help to me.

G. ANTONIUS,
Secretary to the Mission.

MEMORANDUM ON THE EASTERN FRONTIER OF TRANS-JORDAN.

The object of the present memorandum is to set forth, for the information of Sir Gilbert Clayton, the conclusions which I have been able to draw from my investigations concerning the eastern frontier of Trans-Jordan. I paid two visits to Trans-Jordan, during one of which I went as far as Ma'an and the Jafr region to the east of it. Besides the conversations I had with the Amir 'Abdullah, the Chief British Representative, Rikabi Pasha and Lt.-Col. Peake at 'Amman, I held meetings with eleven of the principal Beduin chiefs, whose names and tribes are stated in Annexure A.

Two Points at Issue.

2. The letter of instructions issued to Sir Gilbert Clayton by the Secretary of State states, in paragraph 3, that the line of frontier proposed at the Kuweit Conference is no longer adhered to; and directs that Sir Gilbert Clayton should use his utmost endeavours to secure the inclusion of Kaf within Trans-Jordan territory. Lower down, in paragraph 5, reference is made to Ibn Sa'ud's reported desire to include in Nejd the territory to the west of the Wadi Sirhan comprising the four Wadis—Bayir, Gharra, Hasa and Hidrij; but the question of how to deal with this claim of Ibn Sa'ud's is left to the discretion of Sir Gilbert Clayton, who is to act in the light of information to be supplied to him by the High Commissioner for Palestine. These are the only two points which remain unsettled. The others, which deal with the northern frontier of Nejd, the southern frontier of Trans-Jordan and the southern sector of the eastern frontier of Trans-Jordan, are all definitely settled and do not admit of discussion. I will therefore confine myself to the two points stated above.

Proposed Line.

3. The results of my investigations go to show that it is imperative that the line proposed at the Kuweit Conference be moved eastwards in such a way as to coincide as nearly as possible with meridian 38. This would mean that not only Kaf and the four Wadis, but also the northern half of the Wadi Sirhan, would be included within Trans-Jordan territory, as far as a point roughly midway between Waiset and Nabk. There are weighty reasons for this, as I propose to show in the following paragraphs.

Reasons for the Line.

Strategic.

4. First come the strategic reasons. The fortress adjoining the village of Kaf forms an excellent and valuable observation-post for raids coming up the Wadi Sirhan towards 'Amman. It is a strong fortress and does not require a large garrison. If it were to be provided with a suitable force and fitted with wireless communication, it would be of indispensible value. The Trans-Jordan authorities state that if such had been the case at the time of the Wahabi raid in the autumn of 1924, the approach of the raiders could have been reported to 'Amman several hours earlier than it was. The importance of Kaf from the strategic point of view is also emphasized by the R.A.F. authorities.

Economic.

5. Secondly, there are the economic reasons. As my list of movements of tribes shows (see Annexure B), the territory comprising the four Wadis and the northern half of the Wadi Sirhan is the natural and customary roaming-ground of two of the main tribes concerned, namely, the Ruwala and the Beni Sakhr. To allow Ibn Sa'ud to extend his line further west than is proposed in this memorandum would deprive these two important tribes of a grazing area which is vital to their needs and would be, on economic grounds alone, in the highest degree detrimental.

Political.

6. Thirdly, there are the political reasons. Both the Ruwala and the Beni Sakhr have hitherto remained untouched by Wahabi propaganda, and it is highly desirable to prevent Ibn Sa'ud from coming into closer contact with them than need be. An extension of his frontier westwards would bring his propagandists into permanent contact with the tribes, which would facilitate the infiltration of Wahabi ideas. The lesson afforded by the " conversion " of large sections of the Huweitat and the Bani 'Atiya should not be disregarded.

C.B.R.'s Summing-up.

7. Lastly, I would draw special attention to the summing-up put forward by Colonel Cox in his letter of the 9th September, 1925, to me (see Annexure C), which seems to me to dispose of the question in all its essential aspects.

G. ANTONIUS,
Secretary to the Mission.

ANNEXURE A.

List of Tribal Sheikhs Interviewed.

12-9-25—At 'Amman.

Mujhim Sha'lan ...	...	Ruwalla.
'Awwad ibn Madi	...	Beni Sakhr ('Isa).
Dahir ibn Faris Al-Diab	...	Beni Sakhr (Faiiz).
Haditha Al-Khuraishi	...	Beni Sakhr (Khurshan).

12-9-25—At Ma'an.

Salim Abu Dumaiq	...	Beni 'Atiya.
Daghish Abu Tayyeh	...	Huweitat (Taweiha).
Diab ibn Jazi ...	...	Huweitat (Jawazi).

13-9-25—At Jafr.

Muhammad ibn Duhailan	...	Huweitat.
Za'al ibn Mutlaq ...	...	Huweitat (Taweiha).

14-9-25—At 'Amman.

Minwir ibn Hadid	...	Balqawiyeh.
Khalaf Al-Murr ...	...	Beni Sakhr.

ANNEXURE B.

Movements of Principal Tribes in Trans-Jordan for Grazing and Watering Purposes.

RUWALA.

These important tribes were, until Ibn Sa'ud's advance some three years ago, in actual possession of Jauf and the Wadi Sirhan. At present, they continue to use the major part of the Wadi Sirhan in the winter and the spring as far south as Ibn Sa'ud's presence in Jauf allows. In the summer they move northwards to the confines of Damascus. To the east, they go as far as Rutba, while to the west they are in the habit of coming to Bayer for water.

The salt villages to the south of Kaf (Quraya Al-Malh) are still in their possession, and their paramount chief, Nuri Sha'lan, shares the revenues derived from the salt with the villagers of the Quraya.

SHARARAT.

This tribe uses the Wadi Sirhan and the territory to the east of it. They do not belong to Trans-Jordan and may be left out of account.

Beni Sakhr.

The movements of these tribes, who belong entirely to Trans-Jordan, are a very important factor in the problem of the frontier. Unlike their southern counterpart, the Huwaitat, they have hitherto successfully resisted the efforts of Wahabi propagandists. In view both of their position and of their importance, special consideration should be given to their movements. Their normal *dira* extends, roughly, from Azraq and the Wadi Butm in the north to the southern confines of the Suwwan in the south, where they march with the Huwaitat, the line of demarcation being some distance south of the Wadi Hidrij. To the west, they roam over the territory astride the Hejaz Railway; while to the east they habitually penetrate into the Wadi Sirhan as far south as Waiset and Nabk. They make constant use of the four Wadis, in summer as well as in winter.

Huweitat.

(*a*) *Jawazi Section.*

These tribes winter in the Ghor and the Wadi 'Araba, and in summer roam into the territory east of the Hejaz Railway without, however, penetrating into the Wadi Sirhan. Their easternmost confine is formed by the eastern extremity of the Jabal Tubaiq; while the northern limit of their summer *dira* is the Wadi Hidrij.

(*b*) *Taweiha Section.*

Until Ibn Sa'ud's advance, these tribes were in the habit of using the Wadi Sirhan for their winter grazing; and in those days their dira, starting in the neighbourhood of Waiset and Nabk, included 'Arfaja and Maiqu' (or Maiqum?). For the last three years, however, they have had to give up the Wadi Sirhan, except for that large section of them who have turned Wahabi and continue to use the Wadi Sirhan from Nabk to Jauf. The rest, that is to say the un-Wahabicised section, keep clear of the Wadi Sirhan; while to the south they roam as far as Mulaih and Wadi Nayyal.

Beni Atiya.

These tribes roam eastwards to the confines of the Jabal Tubaiq and southwards along the Hejaz railway (on its eastern side) to Mudawwara, Tebuk and Mu'azzam. They have no interest whatever in the Wadi Sirhan. A large section of them has turned Wahabi.

Annexure C.

No. AA-42.

9th September, 1925.

Dear Antonius,

I am sorry it has been impossible for Peake to assemble the Sheikhs you wish to see in sufficient time and am, according to your request, noting a few further points so as to reach you before your departure on Monday next. The Ruwalla, as you know, range from the Wadi Sirhan, of which Kaf and Jauf may be said to be the two

ends, northwards into Syria on either side of the Jebel Druz and as far eastward as Rutba. The salt villages near Kaf have been in possession of Nuri Sha'lan and his family for a considerable time, and Jauf itself was captured from Ibn Rashid by Nuri Sha'lan during the war and was only quite recently taken from him by Ibn Sa'ud. Ibn Sa'ud can therefore have no justification in contending that, since he has conquered Ibn Rashid, the whole of the Wadi Sirhan with Kaf and Azraq should fall to him. Jauf is at present his by right of conquest from Nuri Sha'lan and there is no hope, or even desire, to get it back from him so as to include it in our boundaries, because it is so far away that we could not hope to defend it. On the other hand, he should be kept out of the Wadi Sirhan as much as possible, for it is there that the Ruwalla, who lie across the route from 'Iraq to Syria, and the Beni Sakhr and Huweitat, who are undoubtedly Trans-Jordan tribes, have their winter grazing grounds, ranging as far eastwards as Jauf and even in some cases beyond it; none of Ibn Sa'ud's tribesmen have used this area in the same way. To let Ibn Sa'ud have Kaf would be quite wrong for the above reason as well as for the military one that it is an important outpost of Trans-Jordan, and again because his occupation of it will give him an excellent base for spreading propaganda amongst the Ruwalla and amongst our tribes.

The salt villages near Kaf produce a considerable revenue, which at present is divided between the residents of the villages and Nuri Sha'lan. The latter has enjoyed this revenue for a number of years and should not be deprived of it by any agreement of ours which will hand the villages over to Ibn Sa'ud. Further, the salt from these villages is supplied to the Bedu lying west of Kaf, and much of it goes up into Syria to the Hauran and Jebel Druz. By letting Ibn Sa'ud have Kaf you are not only endangering Trans-Jordan, but also 'Iraq's communications with Syria, by giving Ibn Sa'ud a firmer foothold in the Ruwalla area.

From Sir Gilbert Clayton's instructions it would appear that Ibn Sa'ud desires the inclusion in Nejd of a tract of territory to the south of Kaf comprising the four Wadis—Bayir, Gharra, Hasa and Hidrij. There is no settled population in this area, but it is the grazing ground of the Ruwalla, the Huweitat and the Beni Sakhr, and of the Beni 'Atya as well.

At Bayir, the source of the Wadi Bayir, there are very important wells, and Ibn Sa'ud's object is probably to have this further advanced point of concentration for an attack on Trans-Jordan in his hands, or it may be that he merely wishes to have our grazing tribes more completely in his area during the season when they move eastward.

Logically no part of the Wadi Sirhan should be his, and it certainly would be a mistake to allow him to extend his area any further westward than the line indicated to Colonel Knox.

A further reason for denying him this area is that there is a good motor road running from Ma'an via Jafr (a fortified watering place) and Bayir to Azraq.

Yours sincerely,
C. H. F. Cox.

To Mr. G. Antonius,
Austrian Hospice, Jerusalem;
(or)
c/o Education Department, Jerusalem.

ANNEXURE 4.

1. **Memorandum No. 1, dated the 11th October, 1925;**
2. **Memorandum No. 2, dated the 12th October, 1925;**
3. **Memorandum No. 3, dated the 14th October, 1925.**

MEMORANDUM No. 1, presented by the Sultan of Nejd on the 11th October, 1925, after the first meeting.

Summarized Translation.

The Government of Nejd desire to maintain and strengthen friendly relations with Great Britain and to live in peace and understanding with the Governments of 'Iraq and Trans-Jordan. Unfortunately, 'Iraq, which is ruled by Faisal ibn Husain, and Trans-Jordan, which is ruled by his brother 'Abdullah, have from time to time committed acts of aggression which make it imperative for us to insist on our natural frontiers in order the better to resist hostile acts on the part of those two countries. The British Government, in a letter from the Political Agent at Bahrein dated the 23rd October, 1924, recognised our right to Kaf; and this recognition has been referred to and upheld on several subsequent occasions. For all these reasons the Government of Nejd are of opinion that 'Iraq and Trans-Jordan should be separated from each other, partly because of the presence of the two brothers, and partly because of the inherited rights of Nejd. In other words, the Government of Nejd assert that the northern frontier of Nejd should extend to Wadi Rajil, that is to say, to the intersection of meridian 37 E. and parallel 32 N.; and that in the south the frontier should start from the point of meridian 37 E. in the vicinity of Qasr Al Azraq.

(Unsigned.)

Dated 23rd Rabi' el Awwal 1344
(11th October, 1925).

MEMORANDUM No. 2, presented by the Sultan of Nejd on the 12th October, 1925, after the second meeting.

Summarized Translation.

We have already stated the historical, economic and administrative ground on which we base our demands with regard to the frontier, but we are of opinion that before attempting a settlement of the northern frontier we should deal with the question of Kaf. We find ourselves unable, in any circumstances, to forgo our rights to Kaf and the adjoining district, knowing that this would not only mean the abandonment of natural and indisputable rights, but would also expose us to a permanent threat. Kaf and its surrounding villages are intimately connected with the rest of the Wadi Sirhan, and are an indispensable economic factor in the life of the Wadi. We do not think it right that these considerations should be neglected merely for the sake of ensuring communication and other interests, all the more so as we are ready and able to ensure the safety of such communications ourselves.

As for the southern extremity of the frontier, our point of view is identical with that of the British Government. We have discovered on enquiry that the area in dispute is not the habitation of any specified tribes, but is a grazing ground for tribes from all parts. It is true that certain Trans-Jordan tribes use that area for grazing, but this does not necessarily mean that the territory is part of Trans-Jordan. In putting forward a demand for it the Nejd Government did not seek aggrandisement or the subjection of tribes, but were merely seeking to protect the interests of their subjects in those parts. As for the threat to the Hejaz Railway, all we can say is that we should be as jealous of its safety as anyone else, even though it may not be under our administration, for it is a Moslem Waqf leading to the Holy Places and entitled to every protection.

(Unsigned.)

Dated 24th Rabi' el Awwal 1344
(12th October, 1925).

MEMORANDUM No. 3, presented by the Sultan of Nejd on the 14th October, 1925, after the fourth meeting.

Summarized Translation.

We wish to submit the following explanation, which we consider most important in relation to the question at issue.

(*a*) For the last three years our subjects have expressed great discontent at the usurpation by 'Abdullah and certain members of the Ruwalla tribes of Kaf and its villages, but in deference to Sir Percy Cox's request we have abstained from retrieving our legitimate possessions and have enjoined upon our tribes to be patient. A few months ago, however, when one of our messengers carrying the mail was arrested and ill-treated by 'Abdullah, the Chiefs of our tribes and certain members of our Government protested loudly to us, and in order to reassure them we had no other course than to acquaint them with the terms of His Majesty's Government's letter of the 23rd October, 1924, which recognised our right to Kaf. We placed this letter before them in support of our contention that His Majesty's Government would always deal fairly with us on the question of our natural frontier.

In submitting this to your impartial examination I have to ask you to consider my position towards my people. What am I to say to them in face of these events? Can I tell them that the letter which I showed them was an invention on my part? Or am I to say that the British Government, always renowned for its loyalty and honour, had reversed its previous decision and annulled the letter which I had to parade before my people? It is out of the question for me to accept such a thing, both for my sake and for that of the British Government. I beg of you that you will take this explanation into full account and deal with the matter with your well-known impartiality and far-sightedness.

(Unsigned.)

Dated 26th Rabi' el Awwal 1344
(14th October, 1925).

ANNEXURE 5.

Draft Agreement concerning Trans-Jordan presented to the Sultan of Nejd on the 25th October, 1925.

The High British Government on its own part and His Highness 'Abdu'l-'Aziz ibn 'Abdu'r-Rahman al-Faisal Āl Sa'ud, Sultan of Nejd and its Dependencies, on behalf of the Government of Nejd, in view of the friendly relations which exist between them, being desirous of settling certain questions in regard to the frontier between Nejd and Trans-Jordan, the High British Government have named and appointed Sir Gilbert Clayton, K.B.E., C.B., C.M.G., as their Commissioner and Plenipotentiary, to conclude an Agreement for this purpose with Sultan 'Abdu'l-'Aziz ibn 'Abdu'r-Rahman al-Faisal Āl Sa'ud.

The said Sir Gilbert Clayton and Sultan 'Abdu'l-'Aziz ibn 'Abdu'r-Rahman al-Faisal Āl Sa'ud, hereafter known as Ibn Sa'ud, have agreed upon and concluded the following Articles :—

Article 1.

The frontier between Nejd and Trans-Jordan starts in the north-east from the point of intersection of meridian 39°E with parallel 32°N, which marks the termination of the frontier between Nejd and 'Iraq, and proceeds in a straight line to the point of intersection of meridian 37°E with parallel 31°25'N, thus including Jebel Thokhra and Rashrashiya in Trans-Jordan, and leaving Kaf and Rekeban to Nejd. From that point it proceeds in a straight line to the point of intersection of meridian 38°E and parallel 30°N, leaving all edges of the Wadi Sirhan in Nejd territory; and thence proceeds along meridian 38°E to its intersection with parallel 29° 35'N.

The Map referred to in this Agreement is Asia "International" Map, 1 :1,000,000.

Article 2.

Ibn Sa'ud undertakes that he will not establish any fortified post at Kaf or utilize Kaf or the district in its neighbourhood as a military centre; and should he at any time consider it necessary to take special measures in the neighbourhood of the frontier with a view to the maintenance of order or for any other purpose, involving the concentration of armed forces, he engages to notify His Majesty's Government without delay.

Ibn Sa'ud further undertakes to prevent by all the means at his disposal any incursions by his forces into the territory of Trans-Jordan.

Article 3.

In order to promote full confidence and co-operation between His Majesty's Government and the Government of Nejd in all questions concerning frontier affairs, it is agreed mutually to maintain constant communication between the representatives of Ibn Sa'ud in the Wadi Sirhan and the Chief British Representative in Trans-Jordan or his delegate, and to institute a regular interchange of visits between them.

Article 4.

Ibn Sa'ud undertakes to maintain all grazing and other rights which may be enjoyed in the Wadi Sirhan by tribes not under his jurisdiction and to accord them free access to the Wadi Sirhan in accordance with such rights.

(Here follow Articles 5, 6, 7, 8, 9, 10 and 11, which are similar *mutatis mutandis* to Articles 1, 2, 3, 4, 5, 6 and 7 of the 'Iraq-Nejd Agreement.*)

Article 12.

Free passage will be granted by the Governments of Nejd and Trans-Jordan to travellers and pilgrims, provided they conform to those regulations affecting travel and pilgrimage which may be in force in either country. Each Government will inform the other of any regulation issued by it in this matter.

ANNEXURE 6.

1. **Memorandum No. 5 concerning Trans-Jordan Frontier presented by the Sultan of Nejd on the 26th October, 1925.**
2. **Draft Agreement concerning Trans-Jordan presented by the Sultan of Nejd on the 27th October, 1925.**

MEMORANDUM No. 5, presented by the Sultan of Nejd after the twelfth meeting.

Summarized Translation.

In reply to the draft Agreement which you presented for the settlement of the Trans-Jordan frontier, I wish to thank you for this great step forward which you have undertaken, and to say that I am prepared to accept your proposals subject to three reservations, as follows :—

(*a*) that the frontier to the north (of Wadi Sirhan) should be pushed back a distance of five hours' journey northwards;

(*b*) that the line put forward by you as marking the northern limit of Nejd territory should be amended in such a way as to create a neutral area whose limits should be defined by the following triangle :—

apex at the starting point, namely, the intersection of meridian 39°E and parallel 32°N, with sides radiating from that apex along straight lines running, roughly, north-west and south-west, and meeting meridian 37°E at two points to be agreed upon later; and further that this triangular area should be absolutely free from any restrictions or Customs impositions on traders and grazing tribes;

* Annexure 11.

(*c*) that the southern extremity of the frontier proposed by you should be amended in such a way as to create a neutral area whose limits shall be formed by the following quadrilateral:

from the intersection of meridian 37°E and parallel 31°N to the intersection of meridian 38°E and parallel 30°N, and thence southwards along meridian 38°E to the fixed point west of the Nafud Salient; thence along a straight line due east to meridian 37°E, and thence northwards along meridian 37°E back to the starting point of the quadrilateral.

These conditions are put forward in the firm belief that they are in accordance with the wishes and interest of both parties.

(Unsigned.)

Dated 8th Rabi' Thani 1344
(26th October, 1925).

DRAFT AGREEMENT CONCERNING TRANS-JORDAN, presented by the Sultan of Nejd on the 27th October, 1925.

TRANSLATION.

Article 2.

The Nejd Government undertake to abstain from erecting any fortification at Kaf and from using it as a military centre. But should special measures become necessary for the preservation of order or for any other purpose involving the concentration of armed forces, they may do so, undertaking at the same time to inform the British Government of the necessity which dictates those measures. Further, the Nejd Government undertake, as far as possible, to prevent their forces from encroaching into Trans-Jordan territory.

In return for this the British Government undertake to do in the Azraq district precisely what Nejd undertake for Kaf.

Article 3.

In order to strengthen mutual confidence between them and to facilitate full co-operation, the two parties agree to initiate such correspondence as may be necessary between the Governor of Wadi Sirhan and the British Representative in Trans-Jordan, in matters connected with the movements of tribes.

Article 4.

The Nejd Government undertake to preserve all rights of grazing and habitation which may be enjoyed by tribes subject to Trans-Jordan on condition that such tribes will obey internal regulations (of Nejd).

The British Government undertake to do with regard to Nejd subjects in Trans-Jordan precisely what Nejd undertake above.

(Here follow Articles 5 to 11 identical with Articles 1 to 7 of the 'Iraq Agreement.*)

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* Annexure 11.

Article 12.

The Governments of Nejd and Great Britain undertake to grant freedom of passage for trade and pilgrimage on condition that travellers should obey all regulations which may be enforced with regard to travelling in Nejd and in Trans-Jordan. Each Government will inform the other of any regulation enacted on the subject.

Article 13.

The British Government undertake to carry out the following pledges with regard to the passage to Syria.

(*a*) Nejd subjects will have full liberty to travel to Syria and return. The passage may not be closed in any circumstances whatever.

(*b*) No Customs duty will be levied on goods passing to and fro between Syria and Nejd; nor will such goods be liable to inspection.

Article 14.

This Agreement will be valid for a number of years to be agreed upon by both parties, and both parties will discuss again the question of their interests on the frontier.

ANNEXURE 7.

The Hadda Agreement.

THE HIGH BRITISH GOVERNMENT on its own part and HIS HIGHNESS 'ABDU'L-'AZIZ IBN 'ABDU'R-RAHMAN AL-FAISAL ĀL SA'UD, Sultan of Nejd and its Dependencies on behalf of the Government of Nejd, on his part, in view of the friendly relations which exist between them, being desirous of fixing the frontier between Nejd and Trans-Jordan and of settling certain questions connected therewith, THE HIGH BRITISH GOVERNMENT have named and appointed SIR GILBERT CLAYTON, K.B.E., C.B., C.M.G., as their Commissioner and Plenipotentiary, to conclude an Agreement for this purpose with SULTAN 'ABDU'L-'AZIZ IBN 'ABDU'R-RAHMAN AL-FAISAL ĀL SA'UD on behalf of Nejd.

In virtue of which the said SULTAN 'ABDU'L-'AZIZ IBN 'ABDU'R-RAHMAN AL-FAISAL ĀL SA'UD and the said SIR GILBERT CLAYTON, have agreed upon and concluded the following Articles:—

Article 1.

The frontier between Nejd and Trans-Jordan starts in the north-east from the point of intersection of meridian 39°E and parallel 32°N, which marks the termination of the frontier between Nejd and 'Iraq, and proceeds in a straight line to the point of intersection of meridian 37°E and parallel 31°30′N, and thence along meridian 37°E to the point of its intersection with parallel 31°25′N. From this point, it proceeds in a straight line to the point of intersection of meridian 38°E and parallel 30°N, leaving all projecting edges of the Wadi Sirhan in Nejd territory; and thence proceeds along meridian 38°E to the point of its intersection with parallel 29°35′N.

The Map referred to in this Agreement is that known as the "International" Asia Map, 1 : 1,000,000.

Article 2.

The Government of Nejd undertake not to establish any fortified post at Kaf or utilise Kaf or the district in its neighbourhood as a military centre; and should they at any time consider it necessary to take exceptional measures in the neighbourhood of the frontier with a view to the maintenance of order or for any other purpose, involving the concentration of armed forces, they engage to notify His Majesty's Government without delay.

The Government of Nejd undertake to prevent, by all the means at their disposal, any incursions by their forces into the territory of Trans-Jordan.

Article 3.

In order to avoid misunderstanding over incidents which may arise in the neighbourhood of the frontier, and to promote mutual confidence and full co-operation between His Majesty's Government and the Government of Nejd, the two parties agree to maintain constant communication between the Chief British Representative in Trans-Jordan or his delegate and the Governor of the Wadi Sirhan.

Article 4.

The Government of Nejd undertake to maintain all established rights that may be enjoyed in the Wadi Sirhan by tribes not under their jurisdiction, whether such rights appertain to grazing or to habitation, or to ownership, or the like; it being understood that those tribes, so long as they reside within Nejd territory, will be subject to such internal laws as do not infringe those rights.

The Government of Trans-Jordan undertake to extend identical treatment to Nejd subjects who may enjoy similar established rights in Trans-Jordan territory.

Article 5.

The Governments of Nejd and Trans-Jordan severally recognise that raiding by tribes settled in their territories into the territory of the other State is an aggression which necessitates the severe punishment of the perpetrators by the Government to which they are subject, and that the chief of the tribe committing such aggression is to be held responsible.

Article 6.

(*a*) A special tribunal shall be set up, by agreement between the two Governments of Nejd and Trans-Jordan, which shall meet from time to time to enquire into the particulars of any aggression committed across the frontier between the two States, to assess the damages and losses and to fix the responsibility. This tribunal shall be composed of an equal number of representatives of the Governments of Nejd and Trans-Jordan, and its presidency shall be entrusted to an additional person, other than the aforesaid representatives, to be selected by the two Governments in agreement. The decision of this tribunal shall be final and executory.

(*b*) When the tribunal has fixed the responsibility, assessed the damages and losses resulting from the raid, and issued its decision in that respect, the Government to whom those found guilty are subject shall execute the aforesaid decision in accordance with tribal customs, and shall punish the guilty party in accordance with Article 5 of the present Agreement.

Article 7.

Tribes subject to one of the two Governments may not cross the frontier into the territory of the other Government except after obtaining a permit from their own Government and after the concurrence of the other Government; it being stipulated, however, in accordance with the principle of the freedom of grazing, that neither Government shall have the right to withhold such permit or concurrence if the migration of the tribe is due to grazing necessities.

Article 8.

The two Governments of Nejd and Trans-Jordan undertake to stand in the way, by all the means at their disposal other than expulsion and the use of force, of the emigration of any tribe or section of a tribe from one of the two countries into the other unless its emigration takes place with the knowledge and consent of its Government. The two Governments undertake to abstain from offering any present of whatsoever kind to refugees from the territories of the other Government, and to look with disfavour on any of their subjects who may seek to entice tribes belonging to the other Government or to encourage them to emigrate from their country into the other country.

Article 9.

The Governments of Nejd and Trans-Jordan may not correspond with the Chiefs and Sheikhs of tribes subject to the other State on official or political matters.

Article 10.

The forces of Nejd and Trans-Jordan may not cross the common frontier in the pursuit of offenders, except with the consent of both Governments.

Article 11.

Sheikhs of tribes who hold an official position or who have flags showing that they are the leaders of armed forces may not display their flags in the territory of the other State.

Article 12.

Free passage will be granted by the Governments of Nejd and Trans-Jordan to travellers and pilgrims, provided they conform to those regulations affecting travel and pilgrimage which may be in force in Nejd and Trans-Jordan. Each Government will inform the other of any regulation issued by it in this matter.

Article 13.

His Britannic Majesty's Government undertake to secure freedom of transit at all times to merchants who are subjects of Nejd for the prosecution of their trade between Nejd and Syria in both directions: and to secure exemption from Customs and other duty for all merchandise in transit which may cross the Mandated Territory on its way from Nejd to Syria or from Syria to Nejd, on condition that such merchants and their caravans shall submit to whatever Customs inspection may be necessary, and that they shall be in possession of a document from their Government certifying that they are *bona fide* merchants; and provided that trading caravans carrying merchandise will follow established routes, to be agreed upon hereafter, for their entry into and their exit from the Mandated Territory; it being understood that the above restrictions will not apply to trading caravans whose trade is confined to camels and other animals, or to tribes migrating in accordance with the preceding Articles of the present Agreement.

His Britannic Majesty's Government further undertake to secure such other facilities as may be possible to merchants who are subjects of Nejd and who may cross the area under British Mandate.

Article 14.

This Agreement will remain in force for so long as His Britannic Majesty's Government are entrusted with the Mandate for Trans-Jordan.

Article 15.

The present Agreement has been drawn up in the two languages, English and Arabic, and each of the high contracting parties shall sign two English copies and two Arabic copies. Both texts shall have the same validity, but in case of divergence between the two in the interpretation of one or other of the Articles of the present Agreement, the English text shall prevail.

Article 16.

The present Agreement will be known as the HADDA Agreement.

Signed at Bahra Camp on the 2nd November, 1925 (corresponding to the 15th Rabi' Thani 1344).

(Signed) GILBERT CLAYTON.
'ABDU'L-'AZIZ.

ANNEXURE 8.

Undertaking given by the Sultan of Nejd with regard to Trade through the Wadi Sirhan.

His Highness Sultan 'Abdu'l-'Aziz ibn 'Abdu'r-Rahman al-Faisal Āl Sa'ud, Sultan of Nejd and its Dependencies, to Sir Gilbert Clayton, K.B.E., etc., His Britannic Majesty's Commissioner and Plenipotentiary.

TRANSLATION.

BAHRA CAMP,
15th Rabi' Thani 1344
(2nd November, 1925).

YOUR EXCELLENCY,

With reference to the discussions which have taken place concerning traders who are subjects of Trans-Jordan, I am not aware of an established and customary road used for passage through the Wadi Sirhan by traders from Trans-Jordan. Should it appear, however, that subjects of Trans-Jordan have an established and acknowledged right, recognised by those who are expert in such matters, to ply their trade from Syria and Trans-Jordan to the southern portions of Trans-Jordan by way of the Wadi Sirhan, then we hereby undertake to extend to them the same treatment as is extended to subjects of Nejd by the Government of Trans-Jordan in their transit to and from Syria.

(Sealed) 'ABDU'L-'AZIZ IBN 'ABDU'R-RAHMAN IBN SA'UD.

ANNEXURE 9.

1. Enquiry from the Sultan of Nejd relating to the Demilitarisation of Kaf.

2. Reply of Sir Gilbert Clayton.

His Highness 'Abdu'l-'Aziz ibn 'Abdu'r-Rahman al-Faisal Āl Sa'ud, Sultan of Nejd and its Dependencies, to Sir Gilbert Clayton, K.B.E., etc., His Britannic Majesty's Commissioner and Plenipotentiary.

TRANSLATION.

Bahra,
14th Rabi' Thani 1344
(1st November, 1925).

YOUR EXCELLENCY,

In the Agreement relating to Trans-Jordan and Nejd provision is made for an undertaking on our part not to fortify Kaf or to make it a military centre. In one of our conversations, I asked Your

Excellency to elucidate the meaning of " fortifications," and you explained that the construction of a wall round the villages concerned, according to the custom prevailing in the desert for the prevention of thefts and raids, as well as the construction of a military barracks for the housing of Public Security troops and the placing of a gun or a few machine-guns according to the requirements of public security, would not be considered as being fortifications of the kind which we undertook to abstain from erecting; but that such works would be considered as necessary for the preservation of order. The object of the present letter is to obtain clear confirmation of that from Your Excellency so that we should be perfectly explicit about our undertakings and leave no room for such misconstructions as might arise from the intrigues of mischief-makers. Respects.

'ABDU'L-'AZIZ IBN 'ABDU'R-RAHMAN IBN SA'UD.

Sir Gilbert Clayton, K.B.E., etc., His Britannic Majesty's Commissioner and Plenipotentiary, to His Highness 'Abdu'l-'Aziz ibn 'Abdu'r-Rahman al-Faisal Äl Sa'ud, Sultan of Nejd and its Dependencies.

Bahra Camp,
2nd November, 1925.

YOUR HIGHNESS,

I have the honour to acknowledge receipt of your letter of the 14th Rabi' Thani 1344 (1st November, 1925) relating to the interpretation of Article 2 of the Hadda Agreement.

In reply to Your Highness' enquiry, I would confirm the verbal statement I made in a recent conversation with Your Highness, namely, that it is difficult for anyone to define, fully and in detail, what is to be understood by the word " fortification " in such a manner as to cover all possible eventualities; and that the best interpretation of that Article would be that which conforms to the spirit as to the letter of the Agreement, and rests on a sincere execution of its terms. For instance, if you desire to erect a wall, as is usual, or barracks for Public Security men other than military forces, or a small gun or a few machine-guns intended to repel brigands and aggressors, it will undoubtedly be open to you to do so, provided such preparations do not exceed the bounds of what is required for the maintenance of order, and do not constitute, in the judgment of the British military authorities, a menace to Trans-Jordan.

I have, etc.,

GILBERT CLAYTON.

ANNEXURE 10.

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1. Draft Agreement concerning 'Iraq presented to Sultan of Nejd.
2. Counter-draft presented by Sultan of Nejd.

DRAFT AGREEMENT CONCERNING 'IRAQ, PRESENTED TO THE SULTAN OF NEJD ON THE 17TH OCTOBER, 1925.

WHEREAS with a view to securing good relations between the two Governments of 'Iraq and Nejd, a Treaty known as the Muhammara Convention was agreed upon between those two Governments and signed on Friday the 7th Ramadan 1340 (corresponding to the 5th May, 1922), and

WHEREAS the aforesaid Treaty was supplemented by two Protocols, known respectively as Protocol Number I and Protocol Number II, of the Muhammara Convention, which were signed at 'Uqair on the 12th Rabi' Thani 1341 (corresponding to the 2nd December, 1922), and

WHEREAS in Article 1 of the aforesaid Muhammara Convention the Governments of 'Iraq and of Nejd have guaranteed mutually that they will prevent aggression by their tribes on the tribes of the other and will punish their tribes for any such aggression and, should the circumstances not admit of such punishment, the two Governments will discuss the question of taking combined action according to the good relations prevailing between them, and

WHEREAS it is considered by both Governments advisable in the interest of friendship and good relations between the two countries to come to an agreement regarding certain other matters which are outstanding between them,

WE, the undersigned.....
.....
.....
.....

have agreed upon the following articles :—

Article 1.

Tribes raiding from the territory of one of the two States into the territory of the other State will be punished by the Government of the State to which they belong, and the Chiefs of the tribe or tribes offending will be held responsible.

Article 2.

The Governments of 'Iraq and of Nejd, recognising the misunderstandings and dangers to public order and security that arise from the enticing of tribes or portions of tribes away from the territory of the one State into the territory of the other State, hereby undertake that they will discourage in every possible way, short of actual expulsion and violence, the immigration of tribes, portions of tribes or tribesmen from the one territory into the other unless it be with

the cognisance and approval of their lawful ruler. In particular, they undertake to abstain from offering presents, either in money or in kind, to refugees from the territory of the other State and to look with disfavour on any of their subjects who may seek to entice or encourage foreign tribesmen to come over into their territory.

Article 3.

Tribes or portions of tribes who elect to move their residence from the territory of the one State into the territory of the other will be required to offer a substantial guarantee or a satisfactory guarantor to the Government of the territory into which they wish to immigrate, which guarantee will be liable to confiscation should the tribes or portions of tribes carry out any raid into the territory from which they have emigrated.

Tribes or portions of tribes who have moved their residence from the territory of one of the two States into the territory of the other State before the conclusion of this Agreement, and who have carried out raids into the territory in which they formerly resided, will also be required to offer a guarantee or guarantor, as provided in the first paragraph of this Article.

Article 4.

A special tribunal consisting of tribal representatives of both Governments, nominated by 'Iraq and accepted by Nejd, and vice versa, and a third person nominated *ad hoc* by an impartial authority to be agreed upon by the two Governments, shall be constituted and will sit from time to time for the purpose of examining the circumstances of any raids which may be perpetrated from either side of the frontier and of deciding on the compensation which may be due.

Article 5.

The two Governments undertake to abstain from entering into direct correspondence on official or political matters with the Sheikhs or subordinate officials of the other Government.

Article 6.

The forces of either Government shall not pursue offenders across the frontier except by mutual agreement between the two Governments.

Article 7.

Sheikhs holding an official position under one of the two Governments or entitled to bear flags in its territory shall not display their badges or flags within the territory of the other Government.

Article 8.

Should one of the two Governments call upon tribesmen for military service from a tribe temporarily resident in the territory of the other Government, no objection will be offered by the Government of the territory in which that tribe is temporarily resident provided it is understood that the fullest liberty shall be left by both Governments to the tribesmen concerned to answer or refuse the call and provided that such tribesmen as may respond to the call shall take away with them their flocks and families.

DRAFT AGREEMENT CONCERNING 'IRAQ PRESENTED BY THE SULTAN OF NEJD ON THE 19TH OCTOBER, 1925.

Article 1.

(*a*) Each of the contracting States of Nejd and 'Iraq admits that raids committed by tribes residing in its territory across the frontier of the other State is a crime necessitating the severe chastisement of its perpetrator by his Government; and the chief of the tribe who admits this crime will be held responsible.

(*b*) With a view to establishing the occurrence of a criminal raid, assessing the amount of plunder and fixing the responsibility, a special committee shall be set up to enquire into raids; this committee to be composed of an equal number of representatives of the Governments of Nejd and 'Iraq, and its presidency shall be entrusted to a person to be selected from a neutral Government by agreement between the two Governments. The decisions of this tribunal shall be executory (i.e., final).

(*c*) When sufficient evidence shall have been collected to establish the occurrence of a raid and the amount of the losses, and shall have been accepted by the committee referred to in section (*b*) above, the Government to whom the defendant tribes are subject will take the necessary measures for compelling the persons concerned to return the looted property in accordance with tribal customs, and for punishing them as stated in section (*a*) above.

Article 2.

Tribes belonging to one of the two Governments may not cross the frontier into the other State except with a permit from their Government, endorsed by the other Government.

Article 3.

The two Governments of Nejd and 'Iraq solemnly undertake that they will stand in the way, by all the means at their disposal, of the immigration of tribes or sections of tribes from the one territory into the other unless it be with the cognisance and approval of the Government to which they are subject. And they undertake to abstain from offering presents, of any kind whatsoever, to refugees from the territory of the other State and to look with disfavour on any of their subjects who may seek to entice or encourage foreign tribesmen to come over into their territory.

Article 4.

Neither Government (of 'Iraq or Nejd) may correspond with the chiefs or sheikhs of tribes subject to the other Government on official or political matters.

Article 5.

The forces of neither Nejd nor 'Iraq will be permitted to cross the frontier between them in pursuit of offenders except by mutual agreement.

Article 6.

Sheikhs holding an official position or who have flags or standards showing that they are the leaders of armed forces may not appear with their flags and standards whenever they desire to cross the frontier into the territory of another Government.

Article 7.

Should either Government require of those of its tribes who are residing in the territory of the other Government to furnish armed forces, the tribes concerned will be free to answer the call; but anyone answering the call must depart in complete tranquillity and may not commit any aggressive act until he is over the frontier.

Article 8.

Sufficient guarantees will be taken from tribes who are in the habit of raiding as a deterrent from committing that crime; such guarantees will be liable to confiscation in the case of a repetition of that crime.

Article 9.

The two Governments undertake to open friendly negotiations, within a specified period to be fixed by mutual agreement, with a view to concluding an agreement for the surrender of criminals.

Article 10.

The Arabic text is the official version to which reference is to be made in case of interpretation of the articles of this Agreement.

1st Rabi' Thani 1344
(19th October, 1925).

ANNEXURE 11.

The Bahra Agreement.

TRANSLATION.

WHEREAS with a view to securing good relations between the two Governments of 'Iraq and Nejd, a Treaty known as the Muhammara Convention was agreed upon between those two Governments and signed on the 7th Ramadan 1340 (corresponding to the 5th May, 1922), and

WHEREAS the aforesaid Treaty was supplemented by two Protocols, known respectively as Protocol Number I and Protocol Number II of the Muhammara Convention, which were signed at 'Uqair on the 12th Rabi' Thani 1341 (corresponding to the 2nd December, 1922), and

WHEREAS the aforesaid Treaty and Protocols have been duly ratified by the two Governments of 'Iraq and Nejd, and

WHEREAS in Article 1 of the aforesaid Muhammara Convention the Governments of 'Iraq and of Nejd have guaranteed mutually that they will prevent aggression by their tribes on the tribes of the other and will punish their tribes for any such aggression and, should the circumstances not admit of such punishment, the two Governments will discuss the question of taking combined action according to the good relations prevailing between them, and

WHEREAS it is considered advisable by His Britannic Majesty's Government and by the two Governments aforementioned, in the interests of friendship and good relations between the two countries of 'Iraq and Nejd to come to an agreement regarding certain matters which are outstanding between those two countries,

WE, the undersigned, His Highness 'Abdu'l-'Aziz ibn 'Abdu'r-Rahman al-Faisal Āl Sa'ud, Sultan of Nejd and its Dependencies, and Sir Gilbert Clayton, K.B.E., C.B., C.M.G., the duly accredited Commissioner and Plenipotentiary of His Britannic Majesty's Government, who has been empowered to come to an agreement and sign on behalf of the 'Iraq Government, have agreed upon the following articles :—

Article 1.

The States of 'Iraq and Nejd severally recognise that raiding by tribes settled in their territories into the territory of the other State is an aggression which necessitates the severe punishment of the perpetrators by the Government to which they are subject and that the chief of the tribe committing such aggression is to be held responsible.

Article 2.

(*a*) A special tribunal shall be set up, by agreement between the two Governments of 'Iraq and Nejd, which shall meet from time to time to enquire into the particulars of any aggression committed across the frontier between the two States, to assess the damages and losses and to fix the responsibility. This tribunal shall be composed of an equal number of representatives of the Governments of 'Iraq and Nejd, and its presidency shall be entrusted to an additional person, other than the aforesaid representatives, to be selected by the two Governments in agreement. The decisions of this tribunal shall be final and executory.

(*b*) When the tribunal has fixed the responsibility, assessed the damages and losses resulting from the raid, and issued its decision in that respect, the Government to whom those found guilty are subject shall execute the aforesaid decision in accordance with tribal customs, and shall punish the guilty party in accordance with Article 1 of the present Agreement.

Article 3.

Tribes subject to one of the two Governments may not cross the frontier into the territory of the other Government except after obtaining a permit from their own Government and after the concurrence of the other Government; it being stipulated, however, in accordance with the principle of the freedom of grazing, that neither Government shall have the right to withhold such permit or concurrence if the migration of the tribe is due to grazing necessities.

Article 4.

The two Governments of 'Iraq and Nejd undertake to stand in the way, by all the means at their disposal other than expulsion and the use of force, of the emigration of any tribe or section of a tribe from one of the two countries into the other unless its emigration

takes place with the knowledge and consent of its Government. The two Governments undertake to abstain from offering any present of whatsoever kind to refugees from the territories of the other Government, and to look with disfavour on any of their subjects who may seek to entice tribes belonging to the other Government or to encourage them to emigrate from their country into the other country

Article 5.

The Governments of 'Iraq and Nejd may not correspond with the Chiefs and Sheikhs of tribes subject to the other State on official or political matters.

Article 6.

The forces of 'Iraq and Nejd may not cross the common frontier in the pursuit of offenders except with the consent of both Governments.

Article 7.

Sheikhs of tribes who hold an official position or who have flags showing that they are the leaders of armed forces may not display their flags in the territory of the other State.

Article 8.

In case one of the two Governments were to call upon tribes residing in the territory of the other State to furnish armed contingents, the said tribes will be free to respond to the call of their Government on condition that they betake themselves with their families and belongings in complete tranquillity.

Article 9.

In case a tribe were to emigrate from the territory of one of the two Governments into the territory of the other Government and were subsequently to commit raids into the territory in which it formerly resided, it will be open to the Government into whose territory this tribe has immigrated to take from it adequate guarantees on the understanding that, if a similar aggression were to be repeated by the tribe, those guarantees would be liable to confiscation, without prejudice to the punishment to be inflicted by the Government as provided in Article 1, and without prejudice to whatever impositions may be decreed by the tribunal specified in Article 2 of the present Agreement.

Article 10.

The Governments of 'Iraq and Nejd undertake to initiate friendly discussions with a view to concluding a special agreement in respect of the extradition of criminals in accordance with the usage prevailing among friendly States, within a period not exceeding one year from the date of the ratification of the present Agreement by the Government of 'Iraq.

Article 11.

The Arabic version is the official text to be referred to in the interpretation of the Articles of the present Agreement.

Article 12.

The present Agreement shall be known as " The Bahra Agreement."

Signed at Bahra Camp this fourteenth day of Rabi' Thani 1344, corresponding to the first day of November, 1925.

(Signed) GILBERT CLAYTON.

(Signed and Sealed) 'ABDU'L-'AZIZ.

ANNEXURE 12.

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1. **Letter from Sir Gilbert Clayton relating to the date of effect of The Bahra Agreement.**
2. **Reply of the Sultan of Nejd.**

Sir Gilbert Clayton, K.B.E., etc., His Britannic Majesty's Commissioner and Plenipotentiary, to His Highness 'Abdu'l-'Aziz ibn 'Abdu'r-Rahman al-Faisal Āl Sa'ud, Sultan of Nejd and its Dependencies.

Bahra Camp,
1st November, 1925.

YOUR HIGHNESS,

I have the honour to inform Your Highness that I am instructed by His Majesty's Government that the Agreement which has been concluded between Your Highness and myself in regard to certain frontier questions which were outstanding between the Governments of Nejd and of 'Iraq, and which was duly signed on the 1st November, 1925, cannot become operative until it has been formally ratified by the Government of 'Iraq.

The Agreement will be transmitted without delay by His Majesty's Government to the Government of 'Iraq with a request for early ratification, and the date of that ratification will be notified in due course by His Majesty's Government to Your Highness as the date on which the aforesaid Agreement will come into operation.

I shall be grateful if Your Highness will kindly acknowledge receipt of this letter.

I have, etc.,

GILBERT CLAYTON.

His Highness Sultan 'Abdu'l-'Aziz ibn 'Abdu'r-Rahman al-Faisal Āl Sa'ud, Sultan of Nejd and its Dependencies, to Sir Gilbert Clayton, K.B.E., etc., His Britannic Majesty's Commissioner and Plenipotentiary.

TRANSLATION.

15th Rabi' Thani 1344
(2nd November, 1925).

YOUR EXCELLENCY,

Respects.

I beg to acknowledge your letter dated 1st November, 1925, relating to the date on which the 'Iraq-Nejd Agreement is to come into force, and to say that this has been noted. Respects.

(Sealed) 'ABDU'L-'AZIZ IBN 'ABDU'R-RAHMAN IBN SA'UD.

ANNEXURE 13.

1. **Letter from the Sultan of Nejd relating to the extradition of Tribes.**
2. **Reply of Sir Gilbert Clayton.**

MEMORANDUM

Presented by His Highness the Sultan of Nejd after the sixth meeting to Sir Gilbert Clayton, K.B.E., etc., His Britannic Majesty's Commissioner and Plenipotentiary.

TRANSLATION.

1st Rabi' Thani 1344
(19th October, 1925).

I have the honour to inform Your Excellency that the Government of Nejd are still of opinion that it is necessary to examine the possibility of extraditing criminals, in the hope of ensuring peace on the frontier and of preventing all disturbers of the peace effectively. My insistence in this matter is due to the particular experience I have, and to my knowledge of desert conditions. My first object is to prevent any rivalry or friction from arising between the two Governments, and in this I am actuated by three main motives :—

(*a*) religion and honour, which compel us to act truthfully and in keeping with our pledges;

(*b*) our special ties of friendship with His Majesty's Government, which make it incumbent upon us to take a far-sighted view;

(*c*) our desire to live in peace, quiet and amity with our neighbours the State of 'Iraq.

2. I am of opinion that the Agreement which you presented for discussion this morning, although it may achieve some of the purposes for which we strive, does yet leave the door open to a great number of troublesome incidents of a kind of which we have had cause to complain in the past. In particular, I have submitted to you the following incidents as being of the kind which habitually occur in life in the desert :—

(*a*) what should the attitude of the Nejd Government be if an 'Iraqi tribe, having committed a reprehensible crime involving killing and plunder, were to take refuge in Nejd; and what would the same Government's attitude be if that refugee tribe were to commit the same crime, notwithstanding guarantees being taken from it;

(*b*) what should the attitude of each of the Governments of 'Iraq and of Nejd be if a Nejd tribe, having been punished by the Nejd Government for a raid into 'Iraq, were to take refuge into 'Iraq and then to raid Nejd from 'Iraq, as was done by those tribes who had taken refuge with Nejd and then gone over to 'Iraq, after the well-known incidents connected with Yusuf Sa'dun?

I beg that you will examine these questions carefully. After considerable experience, I see no effective way of circumventing the trouble other than that Nejd and 'Iraq should both admit the principle of the surrender of criminals, and that criminals having perpetrated a crime in their country should be prevented from seeking refuge into the other country. Measures based on any other principle would not, in my opinion, shut the door on the dissensions of which we all complain; and I ask that this statement of mine should be put on record so that it may be referred to in the future, and so as to set my conscience at rest in case such incidents, of the kind which we deplore and would prevent with all our efforts, were to recur.

Usual respects.

(Sealed) 'ABDU'L-'AZIZ IBN 'ABDU'R-RAHMAN IBN SA'UD.

Sir Gilbert Clayton, K.B.E., etc., His Britannic Majesty's Commissioner and Plenipotentiary, to His Highness 'Abdu'l-'Aziz ibn 'Abdu'r-Rahman al-Faisal Āl Sa'ud, Sultan of Nejd and its Dependencies.

Bahra Camp,
20th October, 1925.

YOUR HIGHNESS,

I have the honour to acknowledge receipt of Your Highness' communication of 1st Rabi' Thani (19th October, 1925), and I note that Your Highness is of opinion that no agreement is likely to establish security on the frontier and put a stop to raiding which is not based on the principle that either Government at the request of the other Government should return, if necessary by force, any tribes or portions of tribes which may cross over into its territory.

2. As I have repeatedly informed Your Highness in our conversations, the 'Iraq Government is unable to subscribe to this principle, which it deems contrary to Arab traditions and impracticable of execution. I have also informed Your Highness that His Majesty's Government, after careful consideration of the facts and of the views put forward by Your Highness and on your behalf in the past, have reached the same conclusion. That being so, I regret that I am unable to adopt the principle which you recommend.

3. On the other hand, I would point out to Your Highness that the draft Agreement which I presented to you recently goes far towards meeting your own views in the matter, and that in drafting it I have endeavoured as far as possible to reconcile conflicting opinions. It is based on what, in the view of His Majesty's Government, is just and fair to 'Iraq and Nejd and to the tribes concerned; and I feel sure that, provided it is loyally carried out, peace and stability on the border ought to prevail, and that any disputes arising from the aggressions of tribes, even in such complicated instances as those mentioned by Your Highness, will be capable of settlement without real difficulty by the two Governments of 'Iraq and Nejd acting in sincere co-operation.

4. With regard to Your Highness' misgivings as to the efficacy of an agreement such as I have proposed, I rely with full confidence on Your Highness' repeated assurances of good-will and sincere desire for peace and order on the frontier.

I have, etc.,
GILBERT CLAYTON.

ANNEXURE 14.

1. **Statement from Taufiq Bey Suwaidi summarising instructions issued to him by 'Iraq Government.**
2. **Statement from Taufiq Bey Suwaidi relating to negotiations for Liquidation of Past Raids.**
3. **Letter from Sir Gilbert Clayton to Sultan of Nejd suggesting principles and procedure to be adopted for settlement.**
4. **Endorsement by Sultan of Nejd.**
5. **Letter from Sir Gilbert Clayton to Taufiq Bey Suwaidi.**

Taufiq Bey Suwaidi, 'Iraq Representative, to Sir Gilbert Clayton, K.B.E., etc., His Britannic Majesty's Commissioner and Plenipotentiary.

Bahra Camp,
25th October, 1925.

TRANSLATION.

With reference to our conversation and in accordance with your instructions, I have the honour to bring to your notice the gist of the instructions issued to me by my Government in connection with the Mission on which I was sent.

1. I am in receipt of a letter from the 'Iraq Government, No. 2493, dated the 8th September, 1925, to the effect that a Conference was about to be held between Sir Gilbert Clayton, representing His Britannic Majesty's Government, and His Highness the Sultan of Nejd, for the purpose of discussing matters affecting Nejd, 'Iraq and Trans-Jordan.

2. The object for which I was delegated by the 'Iraq Government and attached to your Mission is to help you in your task by indicating the point of view of the 'Iraq Government in those matters under discussion between you and the Sultan of Nejd.

3. In a letter to me from the 'Iraq Minister of Foreign Affairs, No. 2494, dated the 8th September, 1925, it is stated that the outstanding matters between Nejd and 'Iraq, which were not settled at the Kuweit Conference, were described in detail in the High Commissioner's despatch to the Colonial Office, dated the 12th March, 1925,* and that the letter of the Chief of the Royal Cabinet No. 6/19/4/S, dated the 22nd November, contained the views of the 'Iraq Government on the questions discussed at the Kuwait Conference and the instructions which had been issued to the 'Iraq delegate at that Conference. I was asked to take into special consideration the points mentioned in those two letters. In view of these, it is clear that the point of view of the 'Iraq Government in those outstanding affairs is such as was described in the instructions issued to you wherein you were given the primary responsibility in the conduct of negotiations. At the same time I may summarise all the essential points as follows:—

(*a*) The punishment of tribes who raid the territory of the other party and the placing of the responsibility on their Sheikhs.

(*b*) The abstention by armed forces of either country from pursuing offenders across the frontier.

(*c*) The withholding of permission to Sheikhs and Chiefs of tribes holding official positions and flags or badges to display those signs when they cross the frontier.

(*d*) The abstention on the part of both Governments from correspondence with tribes subject to the other Government except through the inspectors of boundaries.

(*e*) The recognition by the two contracting parties of the misunderstandings, envy and malice which result from the encouragement and enticing of tribes into the other territory, and their mutual agreement that they will discourage by every possible means, other than actual expulsion or the use of force, the movement of tribes or tribesmen from one territory into the other except with the consent of the Government to whom they are subject; and their agreement to abstain from giving presents in money or in kind to refugees from the other country and to look with disfavour on any of their subjects who might encourage tribes from the other territory to immigrate into their own territory.

(*f*) The non-acceptance of the extradition of non-political offenders and the refusal on the part of 'Iraq to return the refugee tribes from Nejd on the understanding that the 'Iraq Government will take more suitable measures than they have hitherto taken to prevent the Nejd tribes at present in 'Iraq from raiding Nejd; and that efforts should be made to persuade Ibn Sa'ud of the good intentions of the 'Iraq Government in this matter.

(*g*) The appointment of inspectors of boundaries on the part of both Governments, although little importance is attached to this point owing to the doubtful value of such officials. But there is no objection to persuading Ibn Sa'ud to agree to their appointment.

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* 13496/25; not printed.

(*h*) The obligation for armed tribes who may be called up by their Government for military purpose to take away with them their families and animals.

(*i*) To examine the proposal contained in the Colonial Office telegram No. 25, dated the 14th January, 1924,* in respect of guarantees to be taken from tribes who have moved from one territory into the other as a security for good behaviour, on the understanding that the same guarantees may be taken from Nejd tribes at present settled in 'Iraq (e.g., the Nejd-Shammar) and on the understanding that if they refuse to produce such guarantees they may be threatened with expulsion. Such guarantees will be liable to confiscation in case a tribe or section of a tribe concerned commits a raid.

(*j*) The return of loot by both parties. The 'Iraq delegation had asked, at the Kuwait Conference, for the return of loot and the payment of compensation commencing from the coronation of King Faisal until the date of the Kuwait Conference: The Nejd delegation rejected this and counter-proposed that all loot taken before the 'Uqair Conference should be ignored by both sides. After long correspondence the 'Iraq Government accepted to consider the 'Uqair Conference as the date from which the reckoning should begin. Thus that limit was accepted by both sides. Similarly both delegations agreed that the actual losses and loot should be ascertained by a special committee set up for the purpose. In view of this and in view of the fact that, owing to our want of sufficient evidence and lists, the detailed consideration of the question of loot is impossible at present, I therefore request that you will take whatever action you think fit to confirm the verbal agreement which has been arrived at, either by the insertion of a special clause in the proposed Agreement, or in any way you deem fit.

(*k*) I ought to add for your consideration that the tribunal which it has been suggested should be set up to consider the question of loot taken since the 'Uqair Conference is not the same as the tribunal which ought to be set up to enquire into raids and loot taking place after the present Conference at Bahra and to fix the responsibilities in the future. On the other hand, if any difficulty is found in setting up a separate committee and tribunal simultaneously, there is no objection to giving the proposed tribunal the power of enquiring into the previous losses as well as future losses; that is to say to enquire into post-'Uqair as well as post-Bahra losses. Respects.

TAUFIQ SUWAIDI,
'Iraq Delegate.

Taufiq Bey Suwaidi, 'Iraq Representative, to Sir Gilbert Clayton, K.B.E., etc., His Britannic Majesty's Commissioner and Plenipotentiary.

Bahra Camp,
26th October, 1925.

TRANSLATION.

In accordance with your instructions, whereby I was to confer with His Highness' advisers on the subject of the loot claimed by

*1535/24; not printed.

'Iraq and by Nejd, with a view to paving the way for a final settlement of this question, I have the honour to inform you that my discussions with Sheikh Hafiz and Sheikh Yusuf have resulted in agreement on the following points of principle :—

(i) That the 'Uqair Conference be taken as the starting point for the reckoning of loot and losses claimed respectively by 'Iraq and Nejd on account of raids committed by their tribes until the date of the Bahra Agreement.

(ii) That the tribunal provided in Article 2 of the 'Iraq Agreement* be charged with the task of enquiring into the claims of both sides and of returning plunder and assessing compensation for the losses resulting from raids taking place since the 'Uqair Conference, without prejudice to the other duties with which this tribunal will have to perform in the future.

(iii) That this tribunal be assembled and meet within a period not exceeding six months from the date of the ratification of the Bahra Agreement by the 'Iraq Government in accordance with their constitutional laws.

2. In view of this I beg that you will obtain the concurrence of His Highness the Sultan to this agreement with a view to making it supplementary to the Bahra Agreement. Respects.

TAUFIQ SUWAIDI,
'Iraq Delegate.

Sir Gilbert Clayton, K.B.E., etc., His Britannic Majesty's Commissioner and Plenipotentiary, to His Highness 'Abdu'l-'Aziz ibn 'Abdu'r-Rahman al-Faisal Āl Sa'ud, Sultan of Nejd and its Dependencies.

Bahra,
31st October, 1925.

YOUR HIGHNESS,

I have the honour to recall that in one of our recent conversations I spoke to Your Highness about the necessity of settling the question of loot and losses resulting from past raids by tribes from 'Iraq and Nejd, and we agreed that it would be necessary to lay down general principles and formulate a procedure for the satisfactory settlement of this question.

2. In accordance with our agreement, Taufiq Bey Suwaidi, the 'Iraq representative, has discussed the question with Sheikh Hafiz and Sheikh Yusuf, and they have come to a preliminary agreement on the subject. I have the honour, therefore, to request that Your Highness may, if you see fit, signify to me your concurrence in the following proposals :—

(*a*) That the 'Uqair Conference should be taken as the starting point for reckoning the losses claimed respectively by 'Iraq and Nejd on account of the raids which have taken place between that Conference and the date of ratification by the 'Iraq Government of the Bahra Agreement.

* Annexure 11.

(*b*) That the tribunal provided for in Article 2 of the Bahra Agreement should be charged with the task of enquiring into the claims of both sides and of assessing compensation due for the losses resulting from raids taking place during the above-mentioned period, without prejudice to the other duties which this tribunal will have to perform in the future.

(*c*) That this tribunal should be assembled and should meet within a period not exceeding six months from the date of the ratification of the Bahra Agreement by the Government of 'Iraq in accordance with their constitutional laws.

I have, etc.,

GILBERT CLAYTON.

His Highness 'Abdu'l-'Aziz ibn 'Abdu'r-Rahman al-Faisal Āl Sa'ud, Sultan of Nejd and its Dependencies, to Sir Gilbert Clayton, K.B.E., etc., His Britannic Majesty's Commissioner and Plenipotentiary.

TRANSLATION.

14th Rabi' Thani 1344
(1st November, 1925).

Respects.

I have the honour to acknowledge receipt of your letter dated the 31st October, 1925, relating to losses and loot. I fully endorse the agreement arrived at between Sheikh Hafiz Wahba and Sheikh Yusuf Yasin and Taufiq Bey Suwaidi. Compliments.

(Sealed) 'ABDU'L-'AZIZ IBN 'ABDU'R-RAHMAN IBN SA'UD.

Sir Gilbert Clayton, K.B.E., etc., His Britannic Majesty's Commissioner and Plenipotentiary, to Taufiq Bey Suwaidi, 'Iraq Representative.

British Commissioner's Camp,
Bahra, Arabia,

28th October, 1925.

DEAR TAUFIQ BEY,

My negotiations with the Sultan of Nejd have now reached a stage at which I consider it unnecessary to retain your services any longer with this Mission.

The general agreement in regard to frontier matters between the territories of 'Iraq and Nejd has now been completed and only awaits signature. You have had the opportunity of examining the terms of this agreement, and will be in a position to acquaint your Government informally of their substance, but I do not wish to communicate them to you officially or to give you a complete copy of the agreement itself, as I consider the proper channel through which to

convey it to the 'Iraq Government is through the medium of His Majesty's High Commissioner in 'Iraq. Moreover, the agreement has not yet been signed, and cannot therefore be said to be completed. When my Mission has finished its work and all agreements are concluded and signed I shall without delay transmit a copy of the agreement which concerns 'Iraq to His Majesty's High Commissioner at Baghdad for communication to your Government.

With regard to the question of the mutual restitution of loot taken in the course of raids between 'Iraq and Nejd prior to the conclusion of this present agreement, I have received your views with regard to the procedure that should be followed with a view to coming to a settlement, and I note the arrangement to which you have secured the agreement of the representatives of the Nejd Government. I concur generally with the terms of this arrangement and with the procedure which it is agreed should be followed. I therefore propose to make it the subject of an interchange of letters between the Sultan of Nejd and myself, as I consider this method of procedure is preferable to its inclusion in the actual agreement itself, although it is based on the principles which that agreement lays down in regard to the future.

In conclusion, I have to thank you very warmly for the full measure of co-operation and assistance which you have afforded since you joined me at Port Said on the 30th September, and to express my appreciation of the value of your presence as the representative of the 'Iraq Government attached to my Mission.

Yours sincerely,

GILBERT CLAYTON.

ANNEXURE 15.

1. Letter from the Sultan of Nejd relating to the Protection of Nejdi interests in Damascus.

2. Reply from Sir Gilbert Clayton.

'Abdu'l-'Aziz ibn 'Abdu'r-Rahman al-Faisal Āl Sa'ud to Sir Gilbert Clayton, K.B.E., etc., His Britannic Majesty's Commissioner and Plenipotentiary.

Ref. No. 213.

4th Rabi' Thani 1344
(22nd October, 1925).

TRANSLATION.

Respects.

With reference to the question of our representative at Damascus and to the right of representation given to the British Consul there, I have the honour to inform you that that delegation of powers was temporary and that, since the work entailed does not extend to other than commercial matters and the issue of passports to our subjects, I am of opinion that the representation should be entrusted to one of our own subjects.

With regard to the French Government and their objections, I presume that there will be no objection on the part of the British Government to our entering into direct correspondence with the French Government on the subject. Respects.

(Sealed) 'ABDU'L-'AZIZ IBN 'ABDU'R-RAHMAN IBN SA'UD.

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Sir Gilbert Clayton, K.B.E., etc., His Britannic Majesty's Commissioner and Plenipotentiary, to His Highness 'Abdu'l-Aziz ibn Abdu'r-Rahman al-Faisal Āl Sa'ud, Sultan of Nejd and Dependencies.

Bahra Camp,
28th October, 1925.

YOUR HIGHNESS,

I have the honour to acknowledge receipt of Your Highness' letter of the 4th Rabi' Thani 1344 (corresponding to the 22nd October, 1925) on the subject of the representation of Nedji interests by His Britannic Majesty's Consul in Damascus, and to inform Your Highness that I shall transmit the information contained therein to His Majesty's Government for their information and consideration.

I would observe, however, that the query raised by the French authorities concerns only the position of His Britannic Majesty's Consul in this matter and does not, as far as I am aware, extend to that occupied by Your Highness' Representative. It would appear, therefore, that no necessity has arisen for Your Highness' Government to enter into direct correspondence with the French authorities on this subject, and I assume that Your Highness will await the receipt of a further communication from His Majesty's Government.

I have, etc.,

GILBERT CLAYTON,
His Britannic Majesty's Commissioner and Plenipotentiary.

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APPENDIX.

38484/25.

Colonial Office to Sir Gilbert Clayton, K.B.E., C.B., C.M.G.

Downing Street,
10th September, 1925.

SIR,

I am directed by Mr. Secretary Amery to acknowledge the receipt of your letter of the 8th of August* notifying your acceptance of the appointment of British Representative for the purpose of negotiating with the Sultan of Nejd a settlement of outstanding frontier and other questions, and to communicate to you for your guidance the following information regarding the policy of His Majesty's Government in the matters which are likely to be raised in the course of your conversations with Ibn Sa'ud.

2. As you are aware, an attempt was made at the end of 1923 to settle by agreement the various matters in dispute between Ibn Sa'ud and the rulers of the neighbouring Arab States, and for this purpose a Conference of representatives of the States concerned assembled at Koweit in December of that year under the presidency of Lieutenant-Colonel S. G. Knox, C.S.I., C.I.E. Copies of the records† of the proceedings of that Conference are enclosed herewith for your information, together with a file containing copies of relevant correspondence with Lieutenant-Colonel Knox.† A certain measure of progress towards agreement was then made, but for various reasons which are apparent from the records, the Conference closed without achieving any definite result. The main objects for which the Koweit Conference was called were :—

(1) The delimitation of the frontier between Nejd and Trans-Jordan ;

(2) The prevention of trans-frontier raiding between the tribes of 'Iraq and Nejd and the settlement of claims arising from past raids ;

(3) The settlement of frontier and other disputes between Nejd and the Hejaz. Since that Conference terminated many events have occurred which have considerably modified the situation in Arabia. A brief record of these events will be found in the Appendix to the report† of the Committee of Imperial Defence, of which a copy is enclosed herewith. Chief among these events was the outbreak of hostilities between the Sultan of Nejd and the King of the Hejaz. Hostilities are still proceeding, and although the final issue cannot be foreseen the present position is that the forces of Ibn Sa'ud are in effective occupation of the greater part of the Hejaz, including the Holy City of Mecca, and are investing the town of Jeddah, upon which and the immediately surrounding country King Ali maintains a precarious hold. The northern districts of the Hejaz, bordering upon Trans-Jordan, are not at present in the effective occupation of either of the combatants. As you are aware, His Majesty's Government have publicly announced their strict neutrality in this conflict.

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* 36496/25 ; not printed. † Not printed.

3. Although the situation in Arabia has been very considerably modified during the last two years, the three principal questions with which the Koweit Conference was concerned remain unsettled to-day, and it is with the primary object of disposing of the first two of these questions that the negotiations, in which you are to represent His Majesty's Government, have been initiated. As regards the first question, that of the delimitation of the frontier between Trans-Jordan and Nejd, I am to enclose, for your information, a copy of the instructions* communicated to Lieutenant-Colonel Knox prior to the assembly of the Koweit Conference. You will see that at that time His Majesty's Government were prepared to accept as a minimum an eastern frontier for Trans-Jordan, which would rougly follow a line drawn from the intersection of meridian 39° with parallel 32° to the intersection of meridian 37° with parallel 31°30′. From this point, the line follows meridian 37° to parallel 31°, thence to the intersection of meridian 38° with parallel 30°, and thence along meridian 38° to parallel 29°35′, or a point due west of the Nefud salient. This frontier is indicated by a red line on the attached map.† Since this frontier was decided upon the military advisers of His Majesty's Government have represented the importance, for strategical reasons, of including in Trans-Jordan the village of Kaf. His Majesty's Government are now satisfied of the desirability of this, and you should use your utmost endeavours to secure the acceptance by Ibn Sa'ud of a frontier substantially identical with that indicated above, but including Kaf within Trans-Jordan territory.

4. From the telegram‡ from Lieutenant-Colonel Knox, a copy of which is appended, it appears likely that Ibn Sa'ud will advance a claim to a frontier considerably to the west of the above line and extending to the north of the Jebel Anaizeh. This frontier claim is indicated by a green line on the attached map. Such a frontier would involve the interposition of Nejd territory between 'Iraq and Trans-Jordan and would place Ibn Sa'ud astride the Imperial Air Route to the East. This cannot be permitted, and in no circumstances should you assent to any extension of Nejd territory to the north, which would have the effect of separating 'Iraq from Trans-Jordan. You will observe from the enclosed copy of the 'Iraq-Nejd frontier agreement, with attached map, that the western extremity of this frontier is the intersection of meridian 39° N. with parallel 32° E. The Eastern frontier of Trans-Jordan should, in the opinion of His Majesty's Government, start from this point and be drawn rather in a westerly or southerly direction than in a northerly.

5. In the southern sector of the eastern frontier of Trans-Jordan Ibn Sa'ud's claim appears equally objectionable since, in His Majesty's Government's opinion, any more westerly *tracé* than that proposed could not be adopted without endangering the safety of the Trans-Jordan section of the Hejaz Railway. You should, therefore, regard the northern and southern extremities of the frontier line originally proposed by His Majesty's Government as fixed, and it would be advisable to make this clear to Ibn Sa'ud at the outset of your discussions. If, however, you are unable to induce Ibn Sa'ud to agree to the inclusion of Kaf within Trans-Jordan, and if, in your opinion, further insistence on this point would be useless, you may in the last resort concede that village to Nejd, in which case the frontier

* 53811/23 ; not printed. † Not reproduced. ‡2565/24 ; not printed.

should approximately follow the line indicated in red on the attached map. You will observe that Ibn Sa'ud desires the inclusion in Nejd of a tract of territory to the south of Kaf comprising the four streams running eastward into the Wadi Sirhan, viz., the Wadis Bayir, Gharra, Hasa and Hidrij. His Majesty's Government are not aware to what extent this area is essential as a grazing ground to the tribes depending on Trans-Jordan and Syria, or whether it contains a settled population. Enquiries are being made of the High Commissioner for Palestine and steps will be taken to furnish you with precise information on these points.

From the telegram from Sir P. Cox, dated the 6th of December, 1922,* of which a copy is enclosed, it will be seen that at that time Ibn Sa'ud would have accepted a frontier roughly following the western edge of the Wadi Sirhan and leaving the greater part of this area within Trans-Jordan.

You should point this out to Ibn Sa'ud if he advances a claim to any territory in this region additional to that claimed in 1922 and should endeavour to resist such a claim on the ground that this territory was clearly not regarded as essential to Nejd in 1922 and His Majesty's Government are aware of no valid reason why it should be so regarded now. If, however, Ibn Sa'ud presses his claim to this tract of territory very strongly and it appears that unless he receives some measure of satisfaction the negotiations will break down, His Majesty's Government would, as at present advised, be prepared to agree to some arrangement whereby this area would be constituted a neutral *enclave* (on the analogy of the section of neutral territory on the southern frontier between Nejd and 'Iraq), which the tribes of both parties would be free to enter for grazing purposes. His Majesty's Government are content to leave it to your discretion, in the light of the information which you will receive from the High Commissioner for Palestine, to decide whether such an arrangement would be feasible and, if so, to work out details in agreement with Ibn Sa'ud.

6. The question of the southern frontier of Trans-Jordan is one of some delicacy owing to the unstable conditions obtaining in the northern districts of the Hejaz, which, as pointed out above, do not at present appear to be within the effective occupation or control of either Ibn Sa'ud or King Ali. Consequently, any attempt to negotiate a frontier with one party would be liable to give offence to the other. In all the circumstances, and in view of the fact that Ibn Sa'ud has already been informed of the southern limits of Trans-Jordan territory, His Majesty's Government consider that it would be advisable in your conversations with him to treat this matter as a *chose jugée*, merely informing him, if he should raise the point, that the southern frontier of Trans-Jordan starts from the intersection of meridian 38° and parallel 29°35′, crosses the Hejaz Railway south of Mudawwara, and joins the Gulf of Akaba at a point south of that town.

7. With regard to the second main question with which you will be concerned, that of the prevention of trans-frontier raiding between 'Iraq and Nejd tribes, I am to invite your attention to the records† of the later meetings of the Koweit Conference, and to the accompanying copy of a confidential despatch dated the 12th of

* 60745/22 ; not printed. † Not printed.

March, 1925, from the High Commissioner for 'Iraq.* From these you will observe that a substantial measure of agreement was reached at Koweit as to the steps necessary to check such raiding, but that the Conference failed to reach agreement on the important question of the mutual restoration of loot and the payment of compensation in respect of damages arising out of past raids. As regards the arrangements necessary to prevent future raids, the position has been very considerably eased by the action of the 'Iraq Government in moving the principal offenders—the refugee Shammar—to districts remote from the 'Iraq-Nejd frontier, where they will not be subject to the same temptation to raid across the border, and where their activities can be more easily and effectively controlled. Consequently, there appear to be good grounds for hoping that on this question it will be found possible to reach an agreement with Ibn Sa'ud. Such agreement should, in His Majesty's Government's opinion, in general follow the lines of the scheme under consideration by the Koweit Conference, unless, of course, some alternative and more satisfactory method suggests itself in the course of your discussions. Any agreement that may be reached on this subject might with advantage be extended *mutatis mutandis* to apply to Trans-Jordan. His Majesty's Government anticipate that the settlement of outstanding claims for compensation and the restoration of loot will present greater difficulties, but you should use your best endeavours to obtain a settlement substantially in accord with the suggestions advanced in Sir H. Dobbs' despatch of the 30th of June,† of which a copy is appended to this letter. To assist you in this part of your negotiations, the 'Iraq Government have decided to place at your disposal the services of Taufiq Bey al Suwaidi, Assistant Government Counsellor in the Ministry of Justice. He will be in a position to furnish you with full details regarding claims and counter-claims advanced in respect of past raids, as also with the views of the 'Iraq Government regarding a final settlement of such claims. If you are successful in reaching agreement with Ibn Sa'ud with regard to trans-frontier raiding across the Trans-Jordan or 'Iraq frontiers respectively, or the question of the determination of a Trans-Jordan-Nejd frontier, the decisions reached should be embodied in separate formal agreements to be signed by you and Ibn Sa'ud. Any such agreements, in so far as they concern 'Iraq, will require to be approved by the 'Iraq Parliament and ratified by King Faisal before they become operative. In so far as they concern Trans-Jordan they will enter into force as from the date of signature and will not require ratification.

8. Apart from these major questions, there are two other matters which might with advantage be discussed with Ibn Sa'ud, when a favourable opportunity offers, viz., the protection of Nejdi interests in Syria and the question of British representation in Nejd. As regards the former question, I have to explain that in September, 1922, Ibn Sa'ud requested His Majesty's Government to undertake temporarily the protection of Nejdi interests in Syria. His Majesty's Government agreed to accept this charge, and the French authorities, who were informed of Ibn Sa'ud's request, acquiesced in the arrangement. Shortly afterwards, however, Ibn Sa'ud appointed a representative in Damascus, but when notifying His Majesty's Consul at Damascus of this appointment, asked him to supervise the work of the Nejdi representative, and to give him all advice and

* 13496/25 ; not printed.

† 32080/25 ; not printed.

assistance of which he might stand in need. Copies of Ibn Sa'ud's letters* are enclosed herewith for your information. The present Nejdi representative at Damascus, Suleyman ibn Musheiqih, unlike his predecessors and possibly with the object of enhancing his own importance locally, has shown himself on more than one occasion impatient of the control of the British Consul, and the French authorities have similarly evinced an increasing reluctance to accept the intervention of the British Consul at Damascus in questions affecting Nejdi interests. Matters recently came to a head when, in April of this year, the British Consul intervened with the French authorities on behalf of Nejd and was informed that, as Ibn Sa'ud was already officially represented in Syria, the French authorities were unable to recognise any right on the part of His Majesty's Consular Officers to assume the protection of Nedji interests in that country.

In order that His Majesty's Government may have the necessary information to enable them to decide what attitude to adopt towards this action on the part of the French authorities, you should seek a suitable occasion to ascertain and report to His Majesty's Government what is the precise function of the Nejdi representative at Damascus and what are Ibn Sa'ud's real wishes regarding the protection of his interests in Syria.

9. The second question—that of permanent or semi-permanent British representation in Nejd—is one which has been engaging the attention of His Majesty's Government for some time. The present arrangement has not proved altogether satisfactory. Written communications between His Majesty's Government and Ibn Sa'ud pass through the intermediary of the Political Resident in the Persian Gulf, but there is at present no representative of His Majesty's Government in personal touch with Ibn Sa'ud, and the absence of such a representative has given rise, in the past, to various misunderstandings and disputes, very largely attributable to the fact that His Majesty's Government are frequently unaware of Ibn Sa'ud's real wishes or intentions, since he is notably averse from committing himself in writing. His Majesty's Government feel that many of the disputes which have arisen in the past might have been avoided by prompt and frank discussion of the questions at issue had this been possible.

Various solutions of the difficulty have been considered. It has been suggested that the time has now come to station a permanent representative at Ibn Sa'ud's capital. This suggestion is open to objection on the grounds of the extreme discomfort inseparable from prolonged residence at Ryadh and the dangerously isolated position which such an officer would occupy. Again it has been suggested that a representative of Ibn Sa'ud should be accepted in London or accredited to King Faisal or the British High Commissioner at Baghdad; but, as Ibn Sa'ud is known to be unwilling to place reliance upon the judgment or discretion of his subordinates, such an arrangement would be unlikely to achieve the desired result. Another suggestion which has been advanced is that arrangements should be made for periodical visits to be paid by a British officer to Ibn Sa'ud. In the existing circumstances, this last suggestion appears the most likely to commend itself to His Majesty's Government, but as circumstances may alter in the near future (e.g., Ibn

* 52807/22 and 790/23 ; not printed.

Sa'ud may, as a result of his conquests in the Hejaz, move his capital to some more readily accessible spot), His Majesty's Government would prefer to reserve their decision until conditions in Arabia become more stable. You should, however, encourage Ibn Sa'ud to discuss this question frankly with you, and, without definitely committing His Majesty's Government to any of the above alternatives, you should endeavour to ascertain his wishes in the matter. You should point out to Ibn Sa'ud that His Majesty's Government are desirous of making arrangements which would enable them to be kept permanently in touch with him, if circumstances render such a course practicable, and both in discussing this matter with Ibn Sa'ud and throughout your discussions with him you should make it clear that His Majesty's Government are anxious to be on cordial terms with His Highness and to co-operate with him wherever possible.

10. It is not improbable that during your conversations Ibn Sa'ud will raise the question of his position in the Hejaz and will endeavour to obtain from you a statement of His Majesty's Government's policy, and in particular to learn what views His Majesty's Government take of the recent expansion of his territories and what are their wishes with regard to the future administration of the Hejaz. If Ibn Sa'ud questions you on these points you should confine your reply to a statement that His Majesty's Government's only desire is for the speedy termination of the present hostilities and the re-establishment of peaceful conditions in the Hejaz; their recent offer of mediation was made with this sole object in view, and they have learned with regret that Ibn Sa'ud is at present unwilling to accept it. Their offer has, however, not been withdrawn, and it is still open to Ibn Sa'ud, should he so desire, to avail himself of their good offices. But while hostilities continue His Majesty's Government have no alternative but to maintain an attitude of strict neutrality. With regard to the ultimate régime to be set up in the Holy Cities and in the Hejaz generally, you should point out that, beyond doing everything in their power to ensure that their Moslem subjects have free and safe access to the holy places, His Majesty's Government feel that they cannot properly intervene in a matter which so closely concerns Moslem opinion as a whole. While confining yourself to a statement on the above lines, you should in no way discourage Ibn Sa'ud from discussing the matter freely with you.

11. Ibn Sa'ud may also represent that the terms of the Treaty* concluded with him in 1916, a copy of which is enclosed, are no longer appropriate, in view of the recent extension of his territories, and may suggest that this Treaty should be replaced by one more in accord with his increased influence and importance. In this event you should inform him that, while hostilities are actually in progress, His Majesty's Government clearly cannot enter into negotiations for a new Treaty, and that until peace is restored and stable conditions are established His Majesty's Government would prefer to leave matters as they are.

12. Should Ibn Sa'ud raise other questions which are not covered by these instructions you should take note of what he has to say and report to His Majesty's Government, at the same time informing him that you are without instructions on these points, but that you will communicate his views to His Majesty's Government, by whom they will be given every consideration.

* Not printed.

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13. I am to inform you that, in accordance with your suggestion, the Palestine Government have agreed to place at your disposal the services of Mr. G. Antonius, to act as your Secretary, and have also agreed to attach a British stenographer to your Mission. A further communication will be addressed to you with regard to the date of your departure and the venue of the meeting. In the meantime, I am to request that you will hold yourself in readiness to proceed to Jeddah at short notice.

I am, etc.,

R. V. VERNON.

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Confidential.

REPORT

BY

Lieut.-Colonel M. C. LAKE

ON HIS VISIT TO

UPPER AND LOWER YAFA.

(NOTE.—*The proper names have been printed substantially as in the original manuscript. Discrepancies will therefore be noted between the spellings in the Report and the Appendices. Neither system of transliteration employed corresponds exactly with that adopted by the Permanent Committee on Geographical Names of the Royal Geographical Society*).

COLONIAL OFFICE,
June, 1926.

REPORT by Lieut.-Colonel M. C. LAKE on his Visit to Upper and Lower Yafa.

C 5552/26.

The Political Resident, Aden, to the Secretary of State for the Colonies.

No. 33
(Secret).

Aden Residency,
24th February, 1926.

SIR,

I HAVE the honour to forward, for your information, a copy of a report with photographs* submitted to me by Lieut.-Colonel M. C. Lake dealing with the political aspect of his visit to Upper and Lower Yafa in the autumn of last year.

Colonel Lake was in charge of the party referred to in my telegram No. 95 of 27th May, 1925,† which was composed as follows:—

Lieut.-Colonel M. C. Lake,
Pilot Officer H. Walker, Royal Air Force,
Mr. Mohamed Salim, Arabic Interpreter, Residency Office,
One ex-officer and two men of the late Yemen Infantry, and private servants.

The object of the journey was, if possible, to discover suitable sites for landing grounds in Upper and Lower Yafa and to collect general information about the country through which the party passed, most of which had never previously been visited by Europeans.

Colonel Lake's report is a very full one, and is extremely interesting. The various recommendations and suggestions made by him in this report are receiving my attention. I have already recommended the grant of 400 additional rounds of 10-pounder ammunition each to the Lower and Upper Yafa Chiefs (*vide* my telegrams Nos. 142 and 15 dated 16th December and 6th February, 1926‡).

Colonel Lake's comments on the inconvenience of the system of dealing with several chiefs of more or less equal importance in Upper Yafa are to the point, and if a single head could be found for that turbulent tribe, great advantages would no doubt follow for the tribe, and its relations with us would be much simplified.

Unfortunately the people of Upper Yafa are divided into several sections and subdivisions whose mutual jealousies make such a solution impossible, at any rate at the present time. The Upper Yafais, like other Arab tribes, carry their love of independence to an extreme which is a source of great weakness to them, and often leads to feuds which reduce the country to comparative anarchy. No man is really a master in the country, and the various chiefs and sections have no recognised head under whom they naturally combine. As Colonel Lake points out, this disintegration has been avoided in Lower Yafa, where the family of the Bani Afif has established and maintained an undisputed ascendency for many generations.

I enclose also a copy of a report made by Pilot Officer Walker dealing with the possibility of establishing landing grounds for the Royal Air Force. I am dealing with this subject in my capacity as General Officer Commanding the Aden Brigade, as well as in that of Political Resident, and I shall in due course forward to you a copy of my comments on this aspect of the mission.

From a political point of view a noteworthy feature of the journey of Colonel Lake and his party was the very warm welcome extended to them generally by the chiefs and people, who in the past had been notoriously opposed to the entry of Europeans into their country and who guarded their mountain homes with great jealousy against the intrusion of any strangers.

The friendly reception accorded by them to Colonel Lake was due, in my opinion, partly to the good relations that have now subsisted for many years between them and the Aden Residency, and to the confidence that they have gained from our abstention from any attempt to interfere with their local independence. A stronger reason still was the fear in which they at present live of conquest by the Imam of Sanaa. Colonel Lake found that the Yafais' dislike and fear of the Zeidis was

* Not reproduced † 24586/25: not printed. ‡ 56637/25 and C 3249: not printed.

(2)26334 Pk 147 125 8/26 H & S

universal and deep-seated. The Zeidis are now established to the west, north and east of their country, and they cling tenaciously to their British connection as being their only hope of preserving their freedom. Although the Yafais are weakened by their internal dissensions and by the poverty of their country, they are a hardy, warlike and courageous race of mountaineers, and having gained their friendship and their trust we shall do well to maintain and cultivate our present good relations with them.

In conclusion, I must commend the tact and patience that Colonel Lake displays in his dealings with the tribesmen and the ease with which he establishes friendly relations with individual Arabs whom he meets. His success is due to his deep interest in the country and its people, his knowledge of the language and the genuine liking that he has for the Arab. These advantages make Colonel Lake a very valuable officer in this country. I hope that it may be possible to arrange for the retention of his services in the Protectorate in a military intelligence capacity.

Pilot Officer Walker has written a very useful report, and his work and that of the other members of the party also deserve commendation.

I have, &c.,
J. H. K. STEWART, Major-General.

POLITICAL REPORT ON A VISIT TO LOWER AND UPPER YAFA.

We enter Lower Yafa.

On crossing the Wadi Bana we entered Lower Yafa territory, and as up to this point there is nothing of political interest to record, and a military report has already been submitted by Major Carpendale (Commandant, Aden Troop), I will commence my own report from here.

Arrival at Ar-Rawwa.

We arrived at Ar-Rawwa, about half a mile east of the Wadi Bana, at 4 p.m. on 4th November, on our third march out from Khor Maksar, our first march being a short one as far as Imad. The Sheikh of Ar-Rawwa, Hassan Obeid, gave us every assistance. That evening a messenger arrived in our camp with letters for myself and the First Assistant Resident from Sultan Aidrus, the Lower Yafa Sultan, who welcomed our visit, and the messenger informed us that the escort would reach Al Husn the next day. West and south of Ar-Rawwa are two rocky hills about 200 and 100 feet high respectively, with a stone *dar* on the top of each. The next morning the Sheikh took us up the former and showed us some old Himyarite ruins. A curious thing about the hill was that it appeared to be undermined with caves of some sort, as when one stamped on the top it sounded quite hollow underneath. The Sheikh could not account for it, but laughingly suggested that I might undertake to begin excavations in case there were hidden treasure buried beneath. The *dar* had been built from stones, the remains of the ruins, and some of them contained Himyarite inscriptions. While at Ar-Rawwa we got news that a raid (supposed to be Fadthli) had taken place that night at Harur, where it had been our original intention to encamp, that one of the raiders had been killed, but not before they had lifted some goats. Later on the Sheikh of Harur visited me at Al Husn and lodged a complaint against the Fadthli for breaking the truce. The casualty was actually a Haushabi, who had taken refuge with the Fadthli for the past two years. I promised that the matter should be reported and an enquiry made into the incident.

Arrival at Al Husn.

We left Ar-Rawwa the next afternoon and reached Al Husn at about 3.30 p.m. on Thursday, 5th November, and were met by an escort of Lower Yafa tribesmen who had arrived that morning. Sultan Abdulla bin Mohsin, the brother of the Lower Yafa Sultan, was in charge of the escort. We were received with the usual Arab ceremony. On approaching the village we formed up in one line with the Aden Troop on the right and the Abdali escort and Sheikh Hassan Obeid and his following on the left, with us and our party in the centre. The Yafai escort advanced slowly in one long line firing off their rifles, chanting their tribal song, "lulu-ing," and with men in front dancing with drawn "Jambias" and throwing up their fire-arms or spears in the air. It was a most picturesque scene, but not differing in any degree

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from any other form of tribal welcome in Southern Arabia, which only vary in their intensity. In this case, the opinion of the Aulaqi portion of our party and that of the son of the Sherif of Behan was that the welcome was a poor one compared to what they would have done had we been visiting their countries. The party of the Sherif of Behan had joined us on our way to Bir Awadhen on our second march. They were returning from Aden to Behan, and never having traversed Yafa territory, were taking advantage of our visit to do so. They were a well-mannered, quiet, hospitable lot, who had been friends of mine for some years, and had often asked me to visit them. They parted from us at Al Qara. To add to the thrill of the "tamasha" the Aden Troop let off one or two Verey lights and, considering the date, gave a very creditable firework display, especially as they succeeded in setting alight some dry grass, which burnt away merrily.

Sultan Abdulla.

Other Lower Yafa sultans among the escort included Ghalib bin Ali, Bubakar bin Ghalib and Alowi bin Nasir. Sultan Ali bin Abdulla had accompanied us from Aden. I was not very taken with Sultan Abdulla, the brother of the Lower Yafa Sultan, either with his looks or his manners. But it may have been due to nervousness. He had a crafty, weak look and shifty eyes, seldom looking one in the face when he spoke. He is of poor physique and walks as if he had a distressing complaint, and I was not pleased at the prospect of having to rely on him for our comfort and needs all the way to Al Qara, and I sincerely hoped that his brother Aidrus was not like him. As will be seen, both my fears proved to be groundless.

(Since this report was finished Sultan Abdulla has visited me in Aden, and I liked him much better. I am sure his manner is due to nervousness.)

Aden Troop leave us.

At 7.30 the next morning our escort of Aden Troop left us and returned to Aden through Abian, and we felt that we really had left the last link of civilisation behind us.

Quarrel of Camelmen.

We were timed to leave Al Husn that afternoon at 3.0, but had not reckoned on the wrangling that was to take place amongst the camelmen, though those in charge of us might have anticipated it and left more margin. This was the first row of several more to follow amongst our various camelmen during the next six weeks. It was finally 5.15 p.m. before we started.

It may be taken for granted, at any rate in Southern Arabia, that a fresh lot of camelmen will invariably quarrel amongst themselves on seeing their loads for the first time, and that anything from two to six hours may be safely reckoned upon for them to settle their differences. This is on the first day only; afterwards, when each camelman knows his own load, they settle down and there is usually no delay.

The reason for all this bickering is the difference in the weight and bulk of the loads. Some loads are heavier than others, and some are more difficult to carry. In this case, the fact that five of the camels were to be used as riding camels complicated matters still further, as the rate of hire was the same for all, and, naturally enough, each camelman wanted his camel to be a riding one. Also, many more camels had been brought down than were needed by us, and, in order to bring the number down to our requirements, several unfortunate camelmen had to lose the chance of hire, and, in order not to create jealousy, each sub-tribe of the Ahl Kalad (who were supplying the camels) had to have his share. All this made the arguing more furious, and the uproar was intense, everyone shouting at once. They finally came to an agreement. As a rule they draw lots for the load. In the midst of all this arguing and noise, during which we were standing in the sun, Sultan Abdulla left us and went off to the village. He did not ask my permission, and the Behan party were very indignant at his lack of manners.

Bivouac at Am Kharaba.

We bivouacked that night at Am Kharaba, on the right bank of the Wadi Bana, opposite to Masana. The next morning Sultan Abdulla came and asked to be allowed to return to Al Husn, as he had work to do there. I gave him permission readily, and was relieved to be rid of him. From henceforth Sultan Ali Abdulla took charge.

There is nothing to record of political interest on the way up to Al Qara. There was no more trouble with the camelmen after each one had had his own load told off to him.

Helpfulness of Sultans of Escort.

Our comfort and wants were attended to by the three Sultans mentioned above, and I cannot speak too highly of the efforts they made to see that we had everything we needed, and of the assistance they gave us. It was largely owing to them that our journey from Al Husn to Al Qara went so smoothly and without a hitch.

Arrival at Al Qara.

We arrived at Al Qara on the morning of the 10th November. Sultan Aidrus met us at the top of the hill, just inside the gate leading into the village. We were all lodged in the house of Sultan Alowi bin Nasir, which was vacated for our use. The whole time we were in Al Qara and part of the time we were encamped at the foot of the hill we were indebted to the hospitality of Sultan Aidrus for meat, chapatties, honey, eggs, chickens and other extras.

Hospitality of Sultan Aidrus : Visits us and makes Requests.

The day after our arrival Sultan Aidrus paid us a visit and had tea. He began immediately about the letter he had written, which was received just as we were leaving the Aden Troop lines. He expressed his regret, asking me to write to the Resident to accept his apology. He explained that he had written it in a hurry and had been much worried at the time by tribal matters. I am of opinion that this is true, and his subsequent conduct and extreme friendliness point to the fact that he certainly did not mean what he wrote. One perhaps is apt to forget the difficulties involved in getting together an escort. Sultan Aidrus had not been long in power and had not yet been fully recognised by all his tribesmen, and I think that this, combined with the fact that he had to dismiss about forty of the escort who were surplus to our requirements, really did make the change in date for the arrival of the escort at Al Husn a source of inconvenience and worry for him. I would recommend, in the light of recent experience, that in any future expedition into the interior the date chosen by any tribal chief for the meeting of the escort should be acceded to as far as is reasonable.

During his first visit to our place of residence, Sultan Aidrus made other requests, some of which have already been represented by me, and some of which he has mentioned in his recent letter. These were (1) the grant of a salute of guns and a guard of honour when he has occasion to visit Aden, such as is given to the Fadthli, Abdali and Amir of Dthala,—I am told that the reason the previous Lower Yafa Sultan did not visit Aden was that he resented this (as he said) lack of respect; (2) an increase to his stipend; (3) a speedy settlement of the Yafa-Fadthli boundary question; (4) a grant of 400 more shells for his gun, free if possible, if not, on payment.

I have not mentioned the preparation of a landing ground. As this was the *raison d'être* of the mission, it is obvious that in all our conversations this particular subject played an important part, and it is only necessary to emphasise the desire of the Lower Yafa Sultan, and in fact of all the chiefs in both Lower and Upper Yafa territories, to see a landing ground completed at an early date.

Importance of Lower Yafa as a Tribe.

As regards (1) and (2) of the above requests, bearing in mind the Lower Yafa Sultan, his territory, and importance amongst other tribes in the Protectorate, and not considering the effect on neighbouring chiefs, I would recommend that these two requests be granted to him. First, as regards the importance of Lower Yafa as a tribal state, and of Sultan Aidrus as its paramount chief, there is nothing new to add concerning the degree of importance of the whole of Lower Yafa. The extent of its territory and its fighting strength are given in the handbooks. It is sufficient to point out that it ranks as one of the big tribes of the Protectorate. The internal condition of the tribe and the authority the Sultan exerts over his tribesmen, however, changes with the times, and can only be really gauged by a personal visit such as it has been my privilege to undertake recently. It is unnecessary to discourse at length on this subject, but I would mention that the order maintained throughout the territory was most noticeable, as was the personal authority of Sultan Aidrus himself and the respect in which he is held by all his tribesmen.

It is a significant fact that previous Sultans have to a great extent shut themselves up in Al Qara and exerted their influence from there, seldom moving about. Sultan Aidrus, on the other hand, makes a point of travelling through his territory, showing himself to all and sundry, and personally looking into matters which require his attention. He is still young, and this promises well for the future.

His Personal Assistance to us.

That our expedition was carried out smoothly and without any trouble was largely due to Sultan Aidrus himself, who from the time we reached Al Qara personally accompanied us everywhere, even to the border of Upper Yafa territory, thereby setting the example to the Upper Yafa chiefs. He also refused to allow us to go to the expense of retaining our camels, undertaking to see that others were forthcoming when wanted, and he refused to allow us to pay hire at the rate we had estimated, on the grounds that it was more than the local rate. When we re-passed through Lower Yafa on our return from Upper Yafa he again met us on the border and accompanied us to the border of the Shakki Sultan's territory. He could not have assisted, welcomed or honoured us more, and, if for no other reason, I should recommend that he should be rewarded in some way.

His Request for Gun Ammunition.

As regards the gun ammunition, I understand that it is intended to provide him with more if sanction is accorded for the ammunition available to be taken into political charge, but I would recommend that some definite reply may be made to Sultan Aidrus as soon as possible.

Undesirability of granting Stipends.

During our stay at Al Qara visits were exchanged with many of the other Sultans of the Beni Afif, only one of whom had any request to make. This was Mahomed bin Mohsin, who has sent a letter to the Resident asking for a stipend. It is not likely that much thought will be given to this request. It is most undesirable that any stipend should be granted to anyone in Lower Yafa territory other than Sultan Aidrus himself. The fact that he, and he alone, draws a stipend increases his authority considerably.

Request of Sheikhs.

The head Sheikhs of the six chief divisions of Lower Yafa, *i.e.*, Ahl Kalad, Ahl Saad, Ahl Yazid, Ahl Yahar, Ahl Di Nakhab and Ahl Mashalla, request that they may be treated with more respect when they visit Aden. Their spokesman was Sheikh Abdulla bin Ali Al 'Amudi, head Sheikh of the Ahl Saad, who lives at Marban, at the foot of Al Qara hill. They are certainly in charge of considerable areas and command a big following, but it would seem that this is a matter for Sultan Aidrus only.

Difficulty in Water Transport.

The great difficulty at Al Qara is the transport of water. The village stands on a hill rising almost straight up out of the surrounding valleys to a height above them of about 800 feet, and is approached from below by a winding, stony path. At the foot of the hill, in the Wadi Rusud, there is no lack of water. In a stretch of about a mile or even less there are actually eighteen wells, all containing good water, though as a rule only one is used for the needs of the village of Al Qara, this being the nearest to the track, and the water being nearest to the surface. They told me also that Col. Wahab's party in 1892 had had the water tested and found the water from this well the best. The water is carried up in tins by the women, and they say that about 400 tins were carried up in one day at a wage of As. 2 per tin.

Question of Engine to pump Water.

Sultan Aidrus is very anxious to get an engine and pipe installed to pump the water up, but, apart from the initial cost, the amount of petrol the engine would use to obtain sufficient power to pump water up to that height and at that steep angle, added to which would be the cost of the transport of the petrol from Aden, would probably make the water more costly than it is at present.

Masonry Cisterns.

There are one or two masonry cisterns on the top of Al Qara hill, in the village. We were shown one outside in the centre of the village and two in the mosque, one an open one and one covered in by stone paving, the latter being in the courtyard of the mosque. The first two were dry, but the covered-in one had water. We were also shown other cisterns on the slopes of spurs running down from Al Qara hill. These were dry and nearly all required cleaning out and relining.

Firewood.

Firewood, too, has to be brought from a distance, and that also is brought in by the women, who have to go far afield and are sometimes out a day and a night. Their lot is a hard one.

Village of Al Qara.

The flat top of Al Qara hill on which the village stands is pear-shaped, its length lying approximately north and south with the bulge to the south. It contains about a dozen stone *dars* of three or four stories, and two mosques. The poorer people and cattle live in hovels built of loose stone and containing a ground floor only.

A wonderful panorama is disclosed all round from the top of Al Qara hill. To the south one looks across the Wadi Am Hadara to Jebel Maufaja, from the top of which Jebel Shamsan and Aden harbour can be viewed on a clear day. To the west, far away in the distance, one can see the Redfan range, and beyond that again, a little further west, the Amiri country, with Jebel Dthubiyat. West-north-west the lofty ridges of Muflahi territory stand out in all their rugged nakedness and further north lies the Jebel Ahl Yazid, crowned all along with stone *dars* silhouetted against the sky and beyond which lie the ranges of Upper Yafa, with the towers of Attaf standing out prominently in the far background. A little to the east of north may be seen the range of Jebel al Ur, which we were refused permission to visit and so still remains untrodden by a European, with Nasaba Kasad to its east standing out like a hump in a camel's back and a prominent landmark for miles round. East-north-east and far in the distance the wall of mountains ends abruptly in a steep drop down on to the Kaur and the plains of Dathina, out of which rises abruptly Jebel Hamra, looking in the distance like a large fort topped by a church spire. To the east and south-east the view becomes more restricted, being cut short by the slopes of Jebel ash-Shaab and the hills to the south of the Wadi Sarrar. The intervening country all round consists of a series of ridges and valleys, the ridges terraced for the cultivation of *dukn*, and the valleys green with coffee plantations and wheat and barley. It is a view that is not easily forgotten, and, of its kind, in its wild grandeur, must be one of the most magnificent in all Arabia, more especially in the early morning and the evening with the wonderful changes of light and shadow.

Landing Grounds.

Our movements were necessarily very restricted at Al Qara, as to go anywhere at all one had to descend 800 ft., and so it was that, after we had stopped there a few days, I suggested that we should go into camp for a day or two in the valley below and explore the surrounding country. We accordingly left on 18th November and camped at the foot of the hill in the Wadi Rusud, near the wells. Sultan Aidrus and some of his *asakir* came with us, for whom we erected tents, and our camp looked quite imposing. We finally remained ten days, waiting for Syed Ali. Sultan Aidrus accompanied us in all our walks and took us to two valleys which he considered likely places for a suitable landing ground. The first of these was unsuitable, but Lieut. Walker considered the second, which was in the Wadi Rakhamara, near the village of Khalala, suitable in area and in other respects, but it would need a great deal of clearing. On our way to and from Upper Yafa, however, we found two more suitable places, one in the Wadi Agbarain and the other in the Wadi Hadak, neither of which would cost so much to clear as that in Wadi Rakhamara. Sultan Aidrus has promised to make out his estimate of the cost of clearing these areas and to send it in to Aden as soon as possible.*

Shakki Sultan: Request to have Rock in Wadi blasted.

Before leaving the subject of Lower Yafa I will mention the Sultan of the Ahl Shakk, whose name is Al Khadar. The territory of the Ahl Shakk runs on both

* Since received.

sides of the Wadi Sulub, down whose course we traversed on our way back to Aden *via* Raudha and Shuqra. The Shakki Sultan controls a section of the Di Nakhab tribe of Lower Yafa, another name for the Ahl Shakk being the Ahl Am Quar'a, and, though nominally under the Lower Yafa Sultan, is very independent. He and his tribesmen (about 100 fighting men) are bedouins, having no settled habitation, the only pretence of a village being at Sabih, which contains about two *dars* and a few crops. Their territory extends to the south as far as the Wadi Reban, from here onwards being Fadthli territory. The tribe are usually engaged in taking caravans between Aden and Yafa, *viâ* the Wadi Sulub. At the present time there is a feud between them and the Ahl Nasr and also the Ahl Quhaim, who are other sub-sections of the Di Nakhab tribe, and they do not now carry further than Habil-al-Habil, about $2\frac{1}{2}$ miles east of Wadi Irqa. The Wadi Sulub is the easiest route into Upper Yafa territory, but about 33 miles north-west of the Bab-al-Aflak, the *wadi*, which is very narrow at this point, is blocked by a big piece of rock, the space between the rock and the right side of the *wadi* being too narrow to admit of a loaded camel passing. The consequence is that all caravans have to make a detour by a very bad, steep road taken over a hill above the *wadi*, causing much delay and inconvenience, and sometimes also accidents to camels, as in our case when one of the camels fell and shed its load, luckily without doing any damage. The Shakki Sultan spoke to me about having this rock blasted away sufficiently to widen the space for a camel load. There would not be much labour involved in this, and in view of the fact that we were the first Europeans to be allowed to pass the Wadi Sulub, and of the friendliness shown to us by the Sultan of the Ahl Shakk and his men, I recommend that Government should assist in clearing away this obstruction by sending up materials and men under a responsible person.

Upper Yafa.

Immediately we received news of the return of the Upper Yafa chiefs to their respective territories from Aden, we sent them a circular letter in which we proposed visiting them, gave them our intended route, and asked them to send down an escort and representatives to meet us at Jerefal-Abus, on the barrier between the Lower and Upper Yafa, on Monday, 30th November. The route we intended taking left Mahjaba to the last. I suggested at the time that Sultan Salih bin Omar might be offended at our not visiting him first, but was told that it was impossible to take camels to Mahjaba. My fears about offending Sultan Salih bin Omar were dispelled on receiving a reply from all the chiefs, and including him, welcoming our visit and approving our route. We therefore arranged to leave our camp under Al Qara on Sunday, 29th November, which we did accordingly. I should mention that previous to this we had heard of fighting having broken out between the two sections of the Bosi tribe, the Hauri and the Amari, whose territory would be the first we should enter in Upper Yafa. It was a dispute of some nine or ten years' standing, originating from a most trivial cause, but a truce had been arranged for two years. The two tribes had not strictly adhered to this truce, both parties being seemingly at fault, and the truce had now been broken again by the Amari killing the brother of the Dubai Sheikh. This happened while we were in Lower Yafa.

We therefore had thoughts of entering Upper Yafa territory over Jebel Ahl Yazid into Mahjaba, which would have been inconvenient as the route was difficult and we should have to have exchanged our camels for donkeys.

The reply to our letter to the Upper Yafa chiefs, however, brought the news of a truce of fifteen days having been arranged during our visit, and so we adhered to our original route. Sultan Aidrus accompanied us, and on the night of 29th November we encamped in the Wadi Kheran. Before starting again the next morning he told us that Sheikh Abdulla Husain bin Tok, who lives at Mahras in the Sha'abal-Yahud, wanted to entertain us, and asked whether we would mind stopping with him for two hours or so on our way. I was loth to do so as we needed all our time to get us to Jerefal-Abus at the appointed hour to meet our escort, but did not like to offend bin Tok, but stipulated for a visit of one hour only. Bin Tok is a wealthy *sheikh* who owns property in Singapore and Java and has spent many years there.

We ended by staying there nearly seven hours and did not leave until nearly 4.30 p.m. This was due to the fact that we had to change camels there. The original engagement was that both the Ahl Saad and the Ahl Yazid should supply

camels from Al Qara to Jerefal-Abus. At the last moment, those of the Ahl Yazid failed us, as they had done before when we moved down from Al Qara into camp, and the Sheikh of Ahl Sa'ad had to find the balance. The Ahl Sa'ad and Ahl Yazid are not on good terms. Consequently at Sha'abal-Yahud, where we entered Yazid limits, we had to take on Yazidi camels, and we went through the usual wrangle and delay in changing loads. And so, when we should have been at Jerefal-Abus in the hands of our Upper Yafa hosts, we were still with Sultan Aidrus. The next day we had to change camels again, as we went from Yazidi to Di Nakhab limits. This we did at Mudhaifa, which we reached at 10.20 a.m.

I should have mentioned that we left Sultan Aidrus and Mahomed Salim at Sha'abal-Yahud. They took a short cut over Jebel Ahl Yazid in order to go on in advance and arrange about camels from the Ahl Di Nakhab.

We left Mudhaifa at 2.10 p.m. and were met by Sultan Aidrus at Humhuma, about one mile further on.

Threatening letter from Mahomed Saif of Mahjaba.

I forgot to say that while we were at Sha'abal-Yahud we received a threatening letter from Mahomed bin Saif, a relation of Sultan Salhi bin Omar, warning us not to visit Mahjaba under pain of being fired at. We replied to this and reported it to Salih bin Omar.

Arrive at border of Upper Yafa.

With Sultan Aidrus were representatives from Salih bin Omar and Fadthl bin Mahomed. They themselves did not arrive in person on the plea of illness. Three miles after leaving Mudhaifa we arrived at Hanakat-al-Marshad, on the border of Lower and Upper Yafa. Here we were met by the other Upper Yafa chiefs in person, except for the Muflahi Sheikh, who sent his son and nephew as he is an old man himself. Sultan Aidrus parted from us here, as did the other Lower Yafa sultans and their following. The welcome of the Upper Yafa chiefs was exceedingly cordial, and it was very noticeable how, from now onwards, the Mahjaba representatives took a back seat, whether from sulkiness or lack of authority I do not know, probably both, but more of the latter, I think. About one mile further on we entered the territory of the Āmari section of the Bosi tribe, and here occurred a violent row between the camelmen of the Di Nakhab and a party of the Āmari. The *muqaddam* of the camelmen, named Al Khadim, was the most quarrelsome, unpleasant man with whom we had to deal in the whole of Yafa, a real bad lot. On our return journey we found that he had been given the sack for appropriating some of the hire received from us on our way up for his own use. When we took over his camels at Mudhaifa, he began by asking for his hire in advance. Naturally enough, he did not get it, but it is typical of his arrogance and his general conduct, and, had it not been for the proximity of Sultan Aidrus, would probably have held out longer. However, now that Sultan Aidrus was no longer with us he saw his advantage. At the time of the commencement of the row I was at the head of the caravan, being led by the hand by the Dhubi Sheikh, Salim bin Salih, and accompanied by the son of the Muflahi Sheikh and one or two others. The camelmen suddenly halted and began unloading. At the same time one or two tribesmen appeared from Upper Yafa territory, and the yelling and general mix-up were indescribable. It seems to have been due to two causes. The first was that the Di Nakhab camelmen refused to go further than Lower Yafa limits although they had agreed to carry our loads to Jerefal-Abus. The second was that the Āmari section of the Ahl Abus refused to let them in to Āmari territory unless they had a share in the transport dues.

Reach Jerefal-Abus.

After a scene which looked worse than it actually was, in which chiefs, camelmen, tribesmen, and even the camels themselves, all shouted at once, the camelmen agreed to, and were permitted to, proceed, and we reached Jerefal-Abus, where we passed the night. As we could not accommodate so many chiefs in the few tents at our disposal, we kept one representative, Sheikh Mahomed Ali Askar of the Mausatta Naqibs, and gave the others a rupee each subsistence allowance so that they might make their own arrangements in neighbouring villages. I might mention that the only chiefs who personally demanded this allowance were

the representatives from Mahjaba. They asked it of me myself, and because I did not accede immediately to their request one of them asked me rudely "were they to remain in the jungle like monkeys?" After such petulence I had nothing more to do with them and sent them to Mahomed Salim. I quote this incident merely to show their sense of their own importance. We had further trouble with the camelmen the next morning, but finally Al Khadim agreed to carry our loads to Suq ar-Rubuh for an exorbitant sum, and, in order that the Āmari section might have a share of the profit, we hired five donkeys off them. I am glad to say that on arrival at Suq ar-Rubuh, when Al Khadim came to my tent to be paid, I was able to tell him exactly what I thought of him, and told him that his conduct would be reported to Sultan Aidrus.

Āmari Section ask for their Independence.

While arguing was proceeding, a deputation of Āmari waited on me and asked that their independence of the Dubai Sheikh might be recognised. They were given the usual reply that the matter would be referred to the Resident, and the names of two men chosen as their *aqils* were noted, viz., Mahomed Ali and Ahmed Mohsin, of the Ahl Al Waheri.

Central Camp arranged for Us in Upper Yafa.

The Mausatta Naqibs and the Dhubi Sheikh had arranged for us to go into camp at Suq Ar-Rubuh and to visit each chief from there, returning to camp at night. Suq Ar-Rubuh is considered neutral territory, neither Mausatta nor Dhubi, but between the borders of each, and by doing this no jealousy could be aroused by us stopping longer with the Mausatta than with the Dhubi or vice versa.

Lack of Cohesion amongst Tribes.

It may be well to mention here the complete lack of cohesion (in ordinary times) which exists amongst the tribes in Upper Yafa, and the extreme jealousy, independence and distrust of each other. All this was put aside during our visit, though it was evident in little ways, and, with the exception of the house of Mahjaba, all combined to welcome and assist us in every way. This promises well in the event of any Zeidi aggression. I would also refer to the lack of control which is apparent on the part of some of the Sheikhs over their rural population. One notable exception was the Dubai Sheikh, and one notable example was the Dhubi Sheikh.

Influence of Mausatta Naqibs.

There is no doubt that the chiefs who exert the most authority in Upper Yafa are the Mausatta Naqibs. But more of this anon.

View from Top of Naqil-As-Saddar.

We left Jeref Al-Abus at 10.15 that morning, and arrived at the foot of the Naqil As-Saddar via Wadis Burr, Mer, and Saddar, just before noon. At the top of the *naqil*, which I made out to be 7,200 ft. in height, the Upper Yafa plateau, with the hills rising out of it, topped by the various villages, is laid out before one. Looking back across the Wadi Saddar, which we have just left some hundred feet below, to the north, and just the other side of the wadi, is Shibr, the town of the Hadrami Sheikh, while close to it, and in a north-easterly direction from our position, is Dhayyan, the village of the Afradi section of the Hadrami. Behind it lies Jebel Habba, and beyond that again (though hidden by it) is Jebel Al Ur. In a westerly direction, and two or three miles away, lies Jebel Thamr. Other villages which may be seen from this point are Hadida, Di Sura, Antar, Robat, Al Khalwa, while in the distance, behind Shibr and between it and Jebel Habba, stands out prominently the town of Beni Bak, the largest town in the whole of Yafa.

Arrival at Suq Ar-Rubuh.

We arrived at Suq Ar-Rubuh at about 4 p.m., hungry and somewhat tired, and had our first experience of the lack of control of the population which exists in Upper Yafa, so different to what we had been used to in Lower Yafa territory. We had great difficulty in pitching camp and sorting our kit owing to the throngs of people who crowded round everything and interfered with our movements. We

kept our patience and appealed to them on the grounds of fatigue and hunger to be left alone, but, finding that of no avail, we had recourse to more violent methods, and, with the assistance of the Mausatta Naqibs, drove them off with threats of buckets of water and missiles. The cold of the evening air finally came to our aid and drove them to their homes.

Height and Temperature of Camp.

I found our camp to be about 7,800 feet in height, and it was distinctly cold. The lowest temperature recorded by the thermometer during the night was 35°, whilst the highest shade temperature during the day was 65°.

Interview with Chiefs.

The next morning the chiefs asked for an interview with me, and I had them all into my tent. I noticed the absence of the Mahjaba representatives, who had returned to Mahjaba without taking leave of me. It was perhaps as well that Mahjaba was not represented at the conference, as the chiefs began about the misdeeds of Sultan Salih bin Omar and said that they disclaimed all authority from him over them. They also stated their readiness to abide by the decision of Syed Ali as regards the gun, and expressed their annoyance at Salih bin Omar's obstinacy in wanting to keep the gun with him. They were perturbed and disappointed at the gun not having been sent up, and told me that their tribesmen were also. They had heard that Salih bin Omar had reported to Aden there would be trouble if the gun were sent up, and for this reason it had been stopped, whereas they were all quite ready to receive the gun, and there would be no trouble. They asked me to write to the First Assistant Resident that unless Syed Ali brought the gun up with him they did not consider it much good his coming at all. I promised to write that day and tried to reassure them as to the certain arrival of the gun in the near future and asked them to reassure their people. I also took the opportunity of thanking them for the splendid welcome they had given us.

Misdeeds of Salih bin Omar.

It was told me subsequently that Sultan Salih bin Omar had tried to stir up trouble by giving out that the Mausatta and Dhubi had received Rs. 7,000 each for our visit, hoping in this way to make the tribesmen discontented and so perhaps to frustrate our welcome. He is also credited with having supplied certain Bosi tribesmen with ammunition in order to make things unpleasant for us, and it is certainly true that armed men were sitting on the crest of a ridge at the foot of which we had to pass on our way to our camp at Suq Ar-Rubuh via Di Sura, and I noted the shouts and warnings of certain of the chiefs to guard against the firing off of a rifle, presumably in case it should start a row. It appears that these tribesmen, seeing the chiefs combined in welcoming us and seeing us surrounded by a big following, withheld their hands from making trouble. How far it is true that the blame for the above lies at the door of Salih bin Omar, or what proof there is, is not certain, but, doubtless, if proper enquiries were made, the truth would be elicited.

Trouble with the Local Populace.

The afternoon after our arrival we had a bit of trouble with the local population. It has been mentioned how on our arrival in camp the previous day they swarmed round us and refused to leave. Mahomed Salim had been given leave to go to Masjid-An-Nur, which was only about a quarter of an hour from the camp, and had taken with him Sheikh Mahomed Ali Askar and Sheikh Haitham Hussain, our newsagents who shared his tent, leaving no one in camp except ourselves and our party. I did not know this until later. We put up with the crowd, chiefly juvenile, swarming round the kitchen and looking into our tents, for some time, though we told them repeatedly to clear out. Later on, though, the nuisance became unbearable, and I heard them making rude remarks and twitting the Aulaqis for taking our part. They had been throwing stones also at Lieut. Walker's tent, out of sheer wilfulness, and not, I think, with any hostile intent. I then came out of my tent and harangued them—told them we were in their country for their own good and at their own invitation, and that if this sort of thing continued I would return to Aden to-morrow and let the Zeidis into their country. This had some effect on the adults, and a large portion of the mob cleared off, but later another small crowd collected, with whom

Sheikh Yeslum Barwes and the Somali cook nearly came to blows. The evening chill was once again our friend and dispersed the unruly lot to their homes. Whether through fear or not, I do not know, but the juvenile population are allowed by their elders in Upper Yafa to do and say just what they like, and a more cheeky, uppish set of brats it would be difficult to find. There seem to be no *aqils* or headmen of any kind in the villages, or, if there are, they do not know their job.

I complain to the chiefs.

When Mahomed Salim returned I told him what had happened, and that I wanted to see the Mausatta Naqibs and the Dhubi Sheikh at once. The former arrived after I was in bed, having hurried all the way from Al Kudma, about two hours distant. They sat on my bed and expressed genuine regret at what had occurred, saying that they would rather be under the ground than that such a thing should have occurred. I told them straight that something had got to be done or we should return to Aden the next day. I also told them that I had that morning written to the First Assistant Resident telling him of the splendid welcome they had given us and the friendliness shown to us, which made it all the more a matter for regret if we were compelled to return owing to the action of a section of the population. Both the Mausatta Naqibs and the Dhubi Sheikh were very nice about it, promising that we should not be worried again in this manner, and from that night onwards we had a guard in the camp of 14 from representatives of the chief tribes. We certainly never had a repetition of this nuisance on such a scale, but one had to resign oneself to a natural curiosity on the part of the inhabitants, most of whom had never seen a European before, nor such things as camp furniture and other products of European civilisation.

Programme of Visits arranged.

I should have said before that at the morning interview with the chiefs we drew up a programme of visits for the next few days, so that each chief knew when to expect us. We also sent letters to Sultans Salih bin Omar and Fadthl bin Mahomed of Mahjaba, giving them the day of our proposed visit to them.

Visit Muflahi Sheikh at Jurba.

Our first visit was to Jurba, to Sheikh Abdur-Rahman of the Muflahi. This was about nine miles from Suq ar-Rubuh. We started out from our camp almost due south for about twenty minutes, until just short of Jebel Sanan (from where they told me that Aden was visible on a clear day) we changed our direction and kept approximately on a westerly course winding in and out of valleys and up and down hills, past the village of Sera, where they have a market every Thursday, past Al Kudma, the home of the Mausatta Naqibs, which we were to visit on our way back, up the Wadi Yazid, and the Wadi Subah, past the village of Na'aman, until the Wadi Mashkal is reached at the west end of which, on the top of a hill, stands the town of Jurba, with Manshara next door to it, to the north, both villages being overlooked to the north by Jebel Ash-Shibr. We were accompanied to Jurba by Sheikh Mahomed Ali Askar, and on the top of the *naqil*, between Wadis Yazid and Subah, we were met by the nephew of the Muflahi sheikh, Abdur-rahman bin Qasim, and by the Shiekh of the Jauri tribe. From the top of this *naqil* one gets a view of Jebel bin Madas, Jebel Al Ayyas and Jebel Reyu, and the hamlet of Hassal-al-Kuleibi. One can also see the land of the Qaiti sub-section of the Hadrami, from where originate the Qaiti sultans of Mukalla, while to the north of where we were standing and about a mile distant was pointed out to me a *dar* which still belongs to the Qaiti Sultan. In the Wadi Mashkal, at the foot of the hill on which Jurba stands, we were met by the Muflahi sheikh and his son, with the usual Arab welcome of tom-toms and firing off of rifles. We arrived at 12.15, and were suitably entertained, but as we wished to climb Jebel Ash-Shibr and also to visit Al Kudma on our way back we had little time to spare, and, in spite of the protestations of the old *sheikh*, only remained an hour or so.

View from Summit of Jebel Ash-Shibr.

We climbed Jebel Ash-Shibr from where we obtained the most wonderful view. On our way up its southern slope we halted for a while, and they told me that on a clear day Aden harbour was visible from there, and that during the war they had

plainly seen the searchlights. There was a bit of a haze that day, but through my field glasses I could just make out the line of the sea. On reaching the summit a magnificent panorama was opened out before us. It comprised an arc stretching from Jebel Sabar (near Taiz) on the west, Jebel Takar, Jebel Ammar, the Habeshi and Riashi ranges in the Reda district as far as the Redman country. While closer in to us, on a smaller arc, one could see Jebel Jihaf and Jebel Harir in the Dthala district, Jebel Badan in Al 'Audi country, Jebel Mures, and the districts of Nawa, Juban and Dabian, once under Yafa sway and now, as also the Shaibi district, in the hands of the Zeidis.

Immediately below us the Wadi Bana pursued its course, which we had last seen at Masana, our first night out from Al Husn, flowing into which, from the north-east and east, were the Wadis Sih and Hatib. All the names of the various landmarks, the tribes, the districts, the mountains, etc., were so well known to me by long association with their inhabitants that it was intensely interesting seeing them laid out before my eyes, and it made me wish to penetrate still further into the country and to visit each in turn whose names were so familiar.

Visit Al Kudma.

We retraced our steps towards camp, and did not reach Al Kudma until just on sunset. Here the Mausatta Naqibs entertained us on a most lavish scale, and by the time we left, feeling thoroughly overfed, night had fallen, and the four or five miles back to Suq ar-Rubuh was traversed by the light of a hurricane lamp.

I forgot to say that the Sheikh of Jebel Ash-Shibr, Abdulla by name, approached me with a view to his entertainment in Aden, complaining that he was not given recommendatory letters. I told him I would see about the matter, but it is, of course, a matter entirely for the Muflahi Sheikh. He was, however, very helpful and friendly to us.

Visit Di Sura.

The next day, Saturday, 5th December, in the morning we visited the Dhubi Sheikh at Di Sura; his name is Salim bin Salih. It was a walk of 18 minutes from our camp. We got a very fine view from the top of the sheikh's *dar*, being able to see among other landmarks Jebel Al Ur and Jebel Nasaba Kasad, Jebel Ammar and the mountains of Takar, Badan and Dalal, and also the Hajjaji country.

There is a weekly market at Di Sura on Sundays. It is attended from far and near, even from Bedha. We passed it in progress on our way to the Hadrami and Beni Bak; a picturesque scene.

Sheikh Salim mentioned to me about the successor to his co-partner Sheikh, lately deceased. He wanted the deceased Sheikh's son elected. I told him that it was a matter for the tribesmen, and that if they agreed, there would be no difficulty, but that he must get the necessary signatures to the agreement.

Visit Masjid an-Nur.

In the afternoon we visited the Hureibi sheikh at Masjid an-Nur, who showed us great hospitality. His nephew, named Ayadh, discoursed to me at some length about his son, who was a hostage with the Zeidis at Nādara. He was left there five years ago by his father, who was captured in the fighting in the Shaibi country, and he and one other are the only Mausatta prisoners with the Zeidis, the others being Muflahi. He seemed very anxious about his son, and said that he had been separated from him for so long and told me that Syed Yahya used to give his son subsistence allowance at the rate of seven dollars a month, but had ceased doing this for several months past, holding the Hureibi sheikh responsible for having brought Syed Husain into Yafa territory. Both the Hureibi sheikh, and subsequently Syed Ali, entreated me to represent the matter on my return to Aden with a view to getting these prisoners released and I promised to do my best.

Visit Hadrami Sheikh at Shibr.

On the next day, Sunday, 6th December, we visited the Hadrami sheikh at Shibr. We retraced our steps the way we had come from Jeref al-Abus as far as the Naqil as-Saddar, crossed the west end of the Wadi Saddar and climbed the ridge on the north side of the wadi, on which is perched the town of Shibr. After being entertained and remaining for about an hour, we started off for Beni Bak, accompanied by the Hadrami sheikh and two sheikhs of the Ahl Afrād, through whose

village of Dhaiyyan we had to pass. We skirted round the north-west slope of Jebel Habba, overlooking the Wadi Khatta to the north. From Jebel Habba we descended via a nullah called Sha'ab ad-Dubub 1600 feet into the Wadi Hatib, a very fertile wadi, here running east and west, and containing the finest coffee plantations I had yet seen in Yafa. After traversing Wadi Hatib in an easterly direction for about half a mile, we reached the nullah on the north side up which we had to ascend about 1700 feet very steeply to reach the town of Beni Bak, which is perched on the top of the hill overlooking the valley. At the foot of the ascent we were met by an escort of the Beni Bak and commenced to climb on foot. I forgot to mention that we had received a letter of welcome from the Beni Bak on our writing to propose a visit, but that they stated in the letter that we were to understand that they were independent, recognising neither Sultan nor Sheikh. The affairs of Beni Bak (Ahl Bakri) are managed by a committee of three, consisting of Qadthi Mahomed Ahmed, Nasir Abdulla Denash al Bakri and Aqil Mahomed Ahmed. They are nominally under the Hadrami. We were received at the top of the ridge, at the entrance to the town, by Qadthi Mahomed Ahmed and a Syed, the latter looking like the portraits one sees of Charles I, with long hair hanging over his shoulders. They gave us a great welcome in the Arab style and we were led to the house of Nasir Abdulla where we stopped the night.

Refused Passage to Jebel al Ur by Ahl Marfad.

Our real object in visiting the Beni Bak was to climb Jebel Al Ur, from whose summit we should be able to see over into Hamejani territory and into Bedha. It was too long a journey to do in one day from our camp, so we had decided to stop the night in Beni Bak and go on to Jebel al Ur the next morning. To do this we had to pass through the Ahl Marfad and so had written to them stating our plans and our purpose. The sheikh and his men turned up at Beni Bak the next morning and refused to let us through. Wrangling continued for about two hours and finally I told them that anyhow it was too late to go now and we would return the way we had come. I said it did not matter to us whether we went or not, but that we were going entirely for their own benefit to see the limit of Zeidi aggression, and they (the Ahl Marfad) would be the losers as they would get no presents. Sultan Salih bin Omar had apparently once again butted in by writing to the Ahl Marfad ordering them to let us through. This put their backs up (as Salih bin Omar well knew it would do—this being his object). In any case they do not recognise Salih bin Omar as having authority over them, and more than this they are at open enmity with him having at one time assisted him against his brother Qahtan, for which assistance they hold his letter of promise of reward which needless to say has never been fulfilled. It was very disappointing not being able to look over into Bedha. Two days later, the Ahl Marfad repented and sent us an invitation, but it was too late. Another tribe who asked us to visit them was the Khulaki, but we could not spare the time.

Town of Beni Bak.

Beni Bak is the biggest town in the whole of Yafa, consisting of some 200 stone *dars* and a big population. The "managing committee" never come into Aden, but wish to do so if they are received properly. I promised to see what could be done.

Arrival of Syed Ali.

We arrived back in camp on the Monday evening. On Tuesday morning I received the Mausatta naqibs and the Hadrami and Dhubi Sheikhs, who presented to me in turn all their *aqils*. I thanked them for all their welcome and assistance, assured them of the help of the Government and gave them their presents. The next morning I received the Muflahi and Dubai Sheikhs and their *aqils* and went through the same procedure. On the afternoon of Tuesday, 8th December, Syed Ali arrived at Masjid an-Nur and paid us a visit in the evening. It was originally our intention to start back on the Wednesday, but on the Tuesday morning the chiefs came and begged me to have one day with Syed Ali, so I promised to stop until Thursday, but no longer. On Wednesday morning we returned the visit of Syed Ali to Masjid an-Nur. The Syed did not seem at all well and evidently was suffering from fever.

As regards the Dubai Sheikh, Mohsin bin Salih, we did not visit him at Al Hajar although he pressed us to do so. For one thing we did not have much time and

for another, if we had visited him, we should have to have visited the Āmari tribe also so as not to offend the latter through whose territory we should again have to pass on our return to Jeref al-Abus. And if we did visit the Ahl Āmari, we should offend the Dubai Sheikh, so we thought it better to visit neither.

Talk to Dubai Sheikh re Hauri-Āmari Split.

When the Dubai Sheikh came to visit me in my tent to receive his present we talked over the split between the two sections of the Ahl Abus, the Hauri and the Āmari. The truce of fifteen days arranged for our visit would expire in four days and I tried to impress upon him the importance of patching up all quarrels and combining against the common danger of Zeidi aggression, and I told him I hoped he would agree to any decision Syed Ali might give in the matter. I suggested that an agreement might be come to on the basis of so many killed on each side and that peace was better than war, especially war which had been going on for nine or ten years over an absolutely trivial matter. However, he is very incensed over the treacherous murder of his brother, and is not likely to come to reason yet awhile. The same morning we received a letter from the Aqils of the Āmari section of the Ahl Abus warning us not to return through their territory. We passed it on to Syed Ali, as the Aqils of the Ahl Amar happened then to be at Masjid an-Nur. That same afternoon the Aqils stated a wish to visit me in my tent, and being admitted came in smiling and very friendly. They were given Rs. 25 each and were told that they were held responsible for the good behaviour of their tribesmen. They assured us that everything would be all right and it seemed a good opportunity to talk to them also on the folly of keeping up a feud with the Hauri section of the Ahl Abus, but they said that the Hauri were one or two up in the number of killed and they thought something should be done about it. Their threatening letter was merely to show their independence and a means of indicating that they wanted a share in the presents. On our return through their country they met us on their boundary, and one of them took out the piece of *shukur* from his puggri and presented it to me. I told him it was not our custom to wear shrubs in our head-dress, but out of friendliness for them I would do so and I stuck it in my *puggri*.

We left Suq ar-Rubuh on Thursday morning. Syed Ali had expressed his intention of accompanying us so far, but sent word on the morning of our departure that he had had fever all the previous night and expressed regret at his inability to do so. He had made us a present of five sheep the evening before and was given in return a present of Rs. 50.

Ahl Jebel Ali and Zeidis.

I forgot to mention that a day or two previously the Muflahi Sheikh had written in, saying that the Ahl Jebel Ali who overlook Jurba and whose position may be regarded almost as the gate of the Muflahi territory had been parleying with the Zeidis and that Syed Yahya had offered them a stipend if they would come over to him. We talked it over with Syed Ali, who was going to have the sheikhs in to speak to them, and he advised that if they visited Aden they should be entertained and given presents.

The Dhubi Sheikh, Sheikh Mahomed Ali Askar, the Hadrami Sheikh, and the nephew of the Muflahi sheikh accompanied us to the border between Upper and Lower Yafa at Hanakat al-Marshad. Here we were detained a day and a half while Sultan Aidrus was arranging about camels. Sultan Aidrus, with Sultan Bubakar bin Ghalib, arrived at Hanakat al-Marshad on the morning of 10th December and we left for the Wadi Sulub. We arrived in the Wadi Mahwal about noon, where we had to get a new consignment of camels from the Ahl Nasr, and arrived at Habil al-Habil at the head of the Wadi Sulub that evening after dark. Here we found that the Shakki sultan, Al Khadar, and his men with their camels had arrived according to orders the previous evening, and not finding us there had dispersed. So it was necessary to collect them all again and we were detained yet another day.

Wadi Sulub.

We journeyed to Raudha, in the Wadi Yeramis, in three marches, a distance of 54 miles from Habil al-Habil. The Wadi Sulub was perfectly delightful. Hitherto untraversed by any European, we found it to contain running water, a quite considerable stream, pursuing its course with musical rhythm over boulders and

pebbles, its banks lined with bright green turf beyond which was a tangle of *ithl* trees, the wadi enclosed on each side by mountainous ridges whose barren slopes contrasted strangely in their nakedness with the valley over which they towered. The whole scene reminded one of a burn in the wilder parts of Scotland. As we approached the Wadi Hassan (Yeramis) in the Fadthli territory, the *wadi* widened, and the stream would lose itself for a time in the bed of the valley only to re-appear again, sometimes as a running water, but more often as a series of pools, some of which were six or seven feet in depth.

Solitude of Wadi Sulub.

During our journey down the Wadi Sulub we met nobody at all and saw no habitations except a couple of *dars* at Sabih, about nine miles down the *wadi* on our first march. It was a most peaceful going, and the charm of bivouacking each night under the stars of an Arabian night by the sound of running water was indescribable.

Wadi Reban, easy approach for Zeidis.

I have mentioned the Wadi Sulub and the Shakki Sultan previously, so will say no more, but would emphasise the fact that where the Wadi Reban flows into the Wadi Sulub on its left bank, about 3½ miles north-west of the Bab al-Aflak, there is a clear road for the Zeidis from the Audali country and the Dahr if they wish to enter Fadthli territory. The Wadi Reban forms a boundary between Yafa and Fadthli territories and there is a regular caravan route running to the Audali country along the Wadi Reban. Like the Wadi Sulub I am told that the Wadi Reban is uninhabited except by Bedu and the Zeidis would meet with no opposition along this route until they approached Raudha. The sultan of Raudha pointed this out to me and suggested the remedy of supplying him with plenty of ammunition. He visited Sultan Aidrus at Al Qara while we were there, much to the annoyance of the Fadthli sultan with whom he has a quarrel, as he considers that Sultan Abdul Qadir does not treat him with sufficient respect. The Sultan of Raudha, Abdulla (or Obeid) bin Haidara, told us that he received letters from the Zeidis quite lately asking him to go over to them, and showed me one written last Sha'aban. He has received one later than this, but could not put his hand on it while we were there and he has been asked to forward it in to Aden if he should find it. He treated us very hospitably and the next morning he showed us all round his fields. Later he supplied us with horses and camels to take us to Shuqra. We had not intended to go to Shuqra, but were going along the Wadi Yeramis through Abian via Zanjibar, but on arrival at Raudha we received a letter from Sultan Abdul Qadir asking us to spend a day or two with him, and as it seemed a good opportunity of talking over one or two matters with him, we accepted and sent off the caravan by the original route, ourselves just taking our bedding on a camel and riding over with one man from Raudha and a slave from Sultan Abdul Qadir. Just after we left Raudha we met a man running into the village. He shouted out that he was from the Nakhai tribe of the Fadthli and brought news of two of the Nakhai having been seized by the Zeidis. He received very little sympathy from our escort.

Conversations with Fadthli Sultan.

Sultan Abdul Qadir entertained us very hospitably. His request about regaining his stipend has been made known in his letter. The chief matters over which we talked were (1) his stipend, (2) the Yafai-Fadthli dispute, (3) the Haushabi-Fadthli dispute, (4) Zeidi aggression, and (5) the Nakhai question.

Fadthli-Yafai Dispute.

(1) Has already been dealt with. As regards the Yafai dispute, he is very obstinate about retaining Khanfar and declares that he will give it up at no price. He wanted me to go and look at it, but I had no time, and he suggested that the First Assistant Resident himself should go out and see Khanfar and the country round and he was sure that the First Assistant Resident would then understand his reasons for wishing to retain it. He called it the " eye " of Abian, and seemed to think that whoever held Khanfar held the key of Abian and that if the Yafais were given it back, they might ignore any agreement through which they had obtained it and use Khanfar as a base for further aggression in Abian. He also expressed surprise that his people should be made to give up the crops they had

cultivated round Khanfar for the last twenty-six years. (I told Major Carpendale, who had returned to Aden from Al Husn via Khanfar, this, and he says there are no crops round Khanfar). I explained to the Fadthli that he had only held Khanfar for twenty-six years and had obtained it by treachery, and that the Yafais had held it for countless years previous to that and it really belonged to them. I also pointed out that he would be able to find compensation for the loss of Khanfar in being able to make use of the water from the Naz'a channel, and that areas of ground which were now lying waste would become fertile thereby.

The Lower Yafa Sultan seems equally firm about wishing to regain Khanfar. It might be well perhaps to summon them both to Aden, together with the Abdali, and try to come to some agreement. They are both keen on peace.

As regards Hulma, he does not care what happens to it and is ready to obey any orders as regards its destruction the Government may issue. I believe myself, in spite of his pretended obstinacy, if it is the intention of the Government to give Khanfar to the Yafais, he will obey their orders, and it might be worth while withholding the restoration of his stipend for a bit. It might also, perhaps, be advisable to order the destruction of the *dar* on Khanfar hill and to forbid any rebuilding, either there or near Khanfar, in a commanding position.

Dispute with Haushabi.

The truce between the Haushabi and the Fadthli is up now and I asked Abdul Qadir what he intended to do about it, to which he replied that he intended to carry out aggression against them until one of the ruling family of the Haushabi was killed, in retaliation for the Fadthli chief whom they had killed. I explained to him the need for co-operation amongst all the tribes in the Protectorate and for the patching up of quarrels in case of a Zeidi offensive, and suggested the advisability of extending the truce for another year. He demurred at this, but at the same time, if the proper pressure were brought to bear on him, I think that he would be willing.

Zeidi News.

He had had two Zeidi deserters at Shuqra the day before our arrival who stated that the Zeidis were intending to make a raid on Dathina after about 1½ months, not with an intention of occupying it, but to take the crops. He talked a good bit about the exposed position of the Fadthli country to Zeidi attack.

Abdul Qadir's Plan re Nakhai.

The fact of the two men of the Nakhai tribe having been seized by the Zeidis gave him (what he considers) a bright idea. He suggested that, while they are still resentful, they might be supplied with ammunition, and told to go and patch up their quarrels with the Audalli and to help them, and that if they do this that their past misdeeds will be forgiven them. I hinted that there was a good bit to forgive, but he thinks it very desirable that their quarrel with the Audalli should be ended, and that they should resume their caravan trade with them which would compensate them for the loss of that of the Zeidis. He himself will make all arrangements if the plan is approved.

Arrival at Aden.

After remaining nearly two days at Shuqra, we left by car, at about 2 p.m. on Saturday, 19th December, and after a pleasant run along the seashore arrived at the Aden Troop lines about 4.30 p.m. And so ended our visit to Lower and Upper Yafa.

Problem of Sultan Salih Bin Omar: Dangers and Influence of Stipends.

The problem of Sultan Salih bin Omar, the nominal Sultan of Upper Yafa, is a difficult one. If one faces the true facts, they are these:—

His brother, Qahtan, was recognised by the British Government in 1903 (and presumably by the other Upper Yafa chiefs with whom treaties had just been concluded) as the Sultan of the whole of Upper Yafa. Salih bin Omar deposed him in 1904, and was in turn recognised as Sultan by the British Government, who had failed to get Qahtan reinstated. And so he has been, and still is, *nominally* the Sultan of Upper Yafa, and should therefore have control of all affairs in Upper Yafa,

and all political matters connected with the other tribes should be carried out through him. No doubt had he been a strong and capable man, this might have been possible. But he is proud, arrogant and touchy, and his lack of authority is only too apparent. Is this entirely his own fault? To a great extent I think it is. He has not the personality, the tact, the amiability or strength of character to control the tribes. He cannot even control his own relations, who are divided amongst themselves. At the same time, the British Government, having recognised him as titular chief, has not perhaps backed him up as he ought to have been, or (we will say) as a ruling Sultan ought to be backed up. Amongst chiefs in the Aden Protectorate the importance they assume, and the amount of authority they are capable of exerting, is largely influenced by the respect shown to them by the British Government and by the amount of stipend they draw. Sultan Salih has been handicapped certainly in the latter respect, and I think (but I speak without proper knowledge) in the former as well. By glancing at the list of stipends granted to Upper Yafa chiefs it will be observed that no fewer than five other chiefs in Upper Yafa are drawing stipends in addition to Sultan Salih, and that of these one draws a *similar* amount, and two others draw only very little less. Ignoring all personal factors, I am inclined to believe that this is largely at the root of the whole trouble. Give one chief only in a tribal confederation a stipend, or give him a stipend so much above those given to others that it puts him on a far higher level, and you increase his authority at once.

The case of the Lower Yafa Sultan is a case in point. He alone of chiefs in Lower Yafa draws a stipend, and he is recognised by all as their real ruler, though personally, considering the size and importance of his territory compared to other territories, I am of opinion that this stipend might with advantage be increased; but this has been mentioned elsewhere in this report. But were the British Government once to begin giving other Sultans in Lower Yafa stipends his authority would be so much the more weakened.

I would suggest that in the case of the Upper Yafa the remedy is to be found either in withdrawing the stipend from all chiefs except one man, or else to increase the stipend of whoever is recognised by the British Government as Sultan far above the other stipends. The first remedy would be very difficult, and may be considered almost out of the question, especially at the present time. The second is more feasible, but not so satisfactory and would entail an extra burden on the taxpayer.

Whether that "one man" is to be found in Mahjaba or elsewhere is a matter for diligent thought and careful consideration of past history. But it should *not* be Sultan Salih bin Omar, whoever else it may be, and in the case of his abdication or decease, it was told me by one of the chief sheikhs of Upper Yafa that his son would not be elected. I do not know whether there is any other suitable candidate from Mahjaba.

Independence of Upper Yafa Tribes.

The people who exert the biggest influence in Upper Yafa are the Naqibs of Mausatta, but the truth is that a spirit of independence has pervaded all the tribes in Upper Yafa for so long and to such an extent that they would be willing to recognise no one chief as absolute ruler unless he were backed up and supported by Government to such a degree as to compel them to do so.

Zeidi Ruins in Yafa.

A remarkable feature of both the Lower and Upper Yafa territories were the signs of old Zeidi occupation in the number of ruins to be seen of Zeidi villages and *dars*. One notable example of this was at Masjid An-Nur, where, next to the residence of the Hureibi sheikh, where also resides Syed Ali, is a big square stone house which must have been a fine building once, but is now in ruins. They tell me that it was once the headquarters of the Zeidi governor of that district. The Zeidi ruins get more numerous at the south end of the Wadi Sulub towards the Bab Al-Aflak, and about five miles north-west of the Bab Al-Aflak there are the ruins of quite a large village known as Qariat al-Qahab, and 1¼ miles nearer the Bab Al-Aflak there is another ruined village on a hill known as Haid Al-Yabas.

MATTERS MEDICAL.

Before concluding this report I should like to touch on matters medical. We took with us a medical pannier, primarily for the use of our party. I am glad to say,

however, that we had very little use for it, except for one or two abrasions, one slight case of fever and a case of colic.

Advisability of Medical Officer going with any Mission.

But it was in great demand among the Arab population and we treated many cases, the most common being the Yemen ulcer, but in addition we treated ordinary abrasions, fever cases, stomach cases, rheumatism and eye-trouble and, as far as we know, there were no ill-effects from our remedies—on the contrary, many of our patients gave evidence of beneficial results which, in the case of ulcers or abrasions, were very apparent. But our medical and surgical knowledge was elementary, and I would recommend that, if possible, on any future mission some qualified medical man might accompany the party, for there is no doubt that medical attention goes a long way in winning confidence and friendliness. We saw some very bad ulcer cases, quite beyond our power of treating, especially as our treatment could only be for a day or two, but we satisfied them by giving them bandages and ointment and instructions what to do. I used to try to impress on these victims of the Yemen ulcer, and on those who brought them, that the best remedy of all was cleanliness, and after that, rest. But it was hard to see perhaps a young boy with a leg one knew could not possibly heal up in his present surroundings of neglect and dirt, and to realise that the ulcer would probably get so bad as to necessitate amputation of the leg, and that we were powerless to do anything for him, except to give him some advice which we knew would not be followed. I did my best to get one or two of these cases sent into Aden for treatment by the Civil Surgeon or Doctor Young, offering to pay their expenses myself. One or two definitely refused and others consented and then failed to put in an appearance at the appointed time.

Suggestions for spreading Elementary Knowledge in Protectorate.

I see no reason why something should not be done to facilitate medical treatment amongst the tribes of the Aden Protectorate except on the grounds of expense, but it would need assistance from the Government and the co-operation and help of the Arab chiefs.

I suggest that it would be feasible for each tribe to be taken in turn, and for five or six young, intelligent men, preferably young chiefs from the capital of the tribe, who have plenty of spare time on their hands (and there are only too many to be found), to come to Aden to receive an elementary training in medicine and surgery Even the most elementary knowledge would be better than nothing—say, a course of three or four weeks, in which they would learn to treat the most common diseases, first aid, and more particularly the Yemen ulcer. They would then return to their countries and be available to attend to cases, and also to pass on the knowledge they have gained. The head chief of each tribe would have to be supplied with an annual supply of medicine, bandages, cotton wool, &c., and the expense of supplying these would be the difficulty, but I suggest it might be met partly by a Government grant and partly by voluntary subscription. I talked it over with the Lower Yafa Sultan, but the Yafa country is a bad one to start with, as Al Qara is so inaccessible and the whole country so vast and hilly; but in countries like the Fadthli, Haushabi, Aulaq and Abdul Wāhid, the capitals are accessible to all. I do not mention the Abdali as it is so accessible from Aden. I believe, too, that if the scheme were started a desire to acquire medical knowledge would spread, and sooner or later those who could afford it would supply their own medicines and appliances.

I consider that some such training is badly needed in this part of Arabia which we call our Protectorate. The tribes should be considered under the protection of the British Government not only against aggression from outside enemies, but also from inside disease and from casualties from loss of limbs which, owing to ignorance of proper treatment, are more than they need be. If one of our aims in colonising is for the good of the people of the colony, protectorate, mandatory state or any other name the portion of the world may be called, let us try to prove it in the case of Aden by giving them the benefits that are derived from an elementary knowledge of medicine, surgery and hygiene.

ZEIDIS AND YAFA.

And now a final word about the Zeidi menace. I think that both Lower and Upper Yafa are sincere in their desire to keep the Zeidis out of their country. Lower Yafa co-operation is beyond a doubt, and I think that Upper Yafa also would

combine together in spite of tribal jealousies and independence. Lower Yafa, too, would go to the assistance of Upper Yafa in case of attack, and (I think) vice versa, except in the improbable event of Lower Yafa having been isolated and attacked from the south owing to the Fadthli country having been captured. It struck me that the hatred for the Zeidis, or rather for their rule, was very real, and more intense than some people (admirers of the Imam and his followers) are apt to believe. It is the same with all the eastern tribes, i.e., the tribes to the east and north-east of Aden. Were all these tribes to combine, as they would be ready to do if they had our support, they would form a powerful combination against the Zeidis. Their main difficulty would be in the supply of arms and ammunition. Unless helped very considerably in this respect by the British Government, they would be very inferior to the Imam's troops, who are well armed and have an almost unlimited supply of ammunition, which is manufactured in Sana'a. It is in this respect that the Shafais always fail: this and lack of co-operation and organisation. I was told by the Lower Yafa Sultan that 75 per cent. of the rifles in Lower Yafa are Le Gras, for which ammunition is not now available, and it would seem that these rifles should be changed as soon as possible. It is the same in Upper Yafa.

Reason for unpopularity of Zeidi rule.

Verses on the march and in their houses were nearly always connected with the Zeidis and the hope that they might come to a sticky end. The Zeidis may keep order in the countries they take over, but they make the mistake of being too oppressive, and it is this that makes them so unpopular. Tales of Zeidi oppression in the Bedha district are numerous, of their overvaluing intentionally crops, etc., for the purpose of taxation, of their seizing property and valuables and turning people out of their homes. The cry in Bedha, in the Hamejani, Azzani and Āmari territories is for the British Government to come and turn the Zeidis out. They are fed up with them. One or two inhabitants of the above tribes asked me whether the Government would not turn the Zeidis out, to which there was only one reply, namely, that it was not the business of the British Government, with whom they had no treaty. I believe the Government offered to conclude a treaty with Bedha at one time, and the Um Rusas ruler was not willing. Now that the Zeidis are occupying Bedha territory, invited there by this same Um Rusas dynasty, the people of Bedha are crying out for a treaty in order to get assistance to turn the Zeidis out. But it is too late now, and they must stew in their own juice.

Future Policy.

I hope it may not be the policy of the Government to take the line of least resistance and hand over these eastern tribes to Imamic rule. Such a breach of faith, after the recent assurances of assistance made to them, would be unthinkable, and would blacken the name of the British Government for all time amongst Arabs in South Arabia. It may not seem worth while to those at a distance going to war with the Imam over tribes which are of no use to us, and are only an extra expense to Government and create unnecessary work for Political Officers, but the fact remains that we have entered into treaties with them, and these treaties should be kept. Personally I am of opinion that if the Imam was shown that we really meant business in the event of his refusing to withdraw from our Protectorate he would climb down rather than risk a passage of arms. A show of firmness is required and the Government must be prepared if necessary to back it up. Perhaps, had the Imam been shown in 1920 when he first violated our Protectorate that we were going to stand no nonsense, and had he been turned out at once when the troops were available here, I do not think that the situation to-day would be as it is. There must of course have been good reasons for not doing this, but it seems a pity now that it was not possible. The fact that a show of strength has a good effect upon the Imam is demonstrated by the aerial offensive of the past year.

Aden may be looked upon by those unacquainted with it, or those only acquainted with it from an office chair thousands of miles away, as a place of little importance, and the Arab tribes in its vicinity people about whom it is not worth while troubling, but were such a breach of faith with these same tribes to take place as may perhaps be contemplated by those who prefer any disgrace rather than resort to offensive operations in the event of the Imam refusing to

come to terms, small a part though Aden may take in the affairs of the Empire, such treachery would reverberate through other countries and would lower the prestige of the British Government, not only in all Arabia, but in India as well.

Mahomed Salim.

In conclusion I should like to add a word of praise for the assistance given to our party by Mahomed Salim of the Residency office. He was sent as interpreter and also because he had travelled in Yafa before, with Syed Husain bin Hamid. Always willing and cheerful, even in situations which tried one's patience sorely, he was responsible for all the arrangements and carried out his duties, which were not always pleasant ones, in a very able manner. I think it was largely due to him that things went as smoothly as they did. A word of thanks and commendation is also due to Sheikh Yeslum Barwes Aulaqi, Abdulla Husain Yafai and Al Khadar Mohsin Aulaqi, late 1st Yemen Infantry, who formed my personal guard and never spared themselves in their duties and in looking after the needs and comfort of Lieut. Walker and myself. A more cheery and willing trio I have seldom met, or one that worked harder. I only hope that if ever I am fortunate enough to undertake more travels in Arabia I may have as pleasant and helpful companions again. I would also recommend that in any future expedition a personal guard of this sort should be added to the party always, and included in the estimate. They are absolutely necessary in addition to the ordinary personal servants and cook, as there are so many odd jobs to be done, such as collecting firewood, looking after mules, etc., which cannot be done by one's servants who have to get busy with their own duties.

Fascination of Arabian travel.

Glad enough as I was to see Aden once more and to anticipate certain luxuries unobtainable in the desert, the fascination and interest of Arabian travel (and especially amongst tribes with whom one has dealt for so many years) is such that I would willingly start out again were I called upon to do so.

M. C. LAKE,
LIEUT.-COL., INDIAN ARMY.

Aden,
8*th January*, 1926.

APPENDICES.

A. Notes on Equipment, Supplies, etc.
B. Tribes of Lower Yafa.
C. Tribes of Upper Yafa.
D. Genealogical Tree, Sultans, Lower Yafa.

APPENDIX "A."

Notes on equipment, supplies and clothing.

Equipment.—It is better, if possible, to do without tents as they mean extra transport, and are a difficulty to pitch and strike unless men with a knowledge of doing it are included in the party. It will usually be known beforehand if tents are necessary. Unless it is intended to go into a standing camp, as in our own case, they should not as a rule be necessary, as one is often lodged in a *dar*, and it does not hurt anyone to bivouac occasionally, besides being very pleasant in the dry season. If tents *are* necessary, the smaller the better, and, unless it is going to be very hot, they should be single fly, as a double fly is difficult to pitch properly, especially with only untrained men. If you are going to take

tents, take one or two extra for chiefs and their soldiers. In any case, a tent to serve as a latrine will be useful. For supplies and crockery a couple of *yakhdans* are best. They are strong, and can be so filled as to balance on each side of the transport animal, and they are easily loaded. They can be obtained either from the Army and Navy Stores or from Mulchand in Peshawar.

For bedding, a Wolseley valise is the most suitable, as it will carry so many other things in addition, and is useful if one is going to bivouac. But it should be shaken out, put in the sun and all corners examined frequently as it is apt to harbour insects.

On the Yafa expedition we had to carry a good bit of money, about Rs. 10,000, and to do so we had only two steel trunks. I did not like the idea at first, but I had in addition an ordinary office box of my own, and I used to transfer money from one of the steel trunks to the office box as required, about Rs. 500 at a time, and any little sums I would pay from the office box, which also contained part of my clothing and necessaries. I also kept a bag of small change in it as it was constantly needed. The office box I always kept with me at the halt, while, in a standing camp, the steel trunks were kept with the personal guard. It is better not to worry about one's treasure on the march. The escort are usually perfectly trustworthy. I used to put no special guard over it nor indeed think about it at all, but treated it just as an ordinary piece of baggage, while, when we halted for the night, and either pitched tents or bivouacked, I would leave the trunks lying anywhere. I think this is better than making a fuss over it which only attracts attention.

A couple of big tarpaulins are very useful. They can be used to cover up baggage if it rains, also as a ground sheet upon which to sit or to spread one's meal if one is picnicking.

It is advisable to try to procure tins with screw tops to carry oil. They can be made in the bazaar. Otherwise if you open an ordinary kerosine tin and pour out just a little for your requirements you will find a good bit of leakage of that remaining, due to transport.

A pair of saddlebags is of great use to sling over the back of whatever animal you may be riding. These hold a lot, and you can put into them things you may want on the march, such as a camera.

A couple of large-size buckets is almost a necessity. I procured two from the Aden troop, of excellent pattern, and on the suggestion of Major Carpendale, the Commandant, had a canvas top fitted over each. They each held two hurricane lamps, which is the best way of carrying these on the march without their breaking, and they held other things as well. At the halt, they were available for holding water and for washing up.

A thing we forgot to take with us, and of which we were constantly in need, was an axe for chopping wood. Two should be taken in case one breaks.

A handy thing to have in one's equipment is a couple of bodkins and some coarse string. This is for sewing up sacks of flour, rice, &c., after your daily requirements have been extracted. A bodkin is useful in other ways too, and a Bedouin once mended the sole of my boot on the march, a chrome sole which had become unstuck, with a bodkin and a piece of bootlace which was tied round his hair, and made a very good job of it.

It is almost unnecessary to mention that a spare coil or two of rope should always be taken.

Canvas *chaghals* are useful things to have as they keep water beautifully cool and can be slung on your riding animal.

Another useful thing to have is a bottle for containing milk. I had an empty "Gordon cocktail" one, which was just the thing as it is practically air tight and very strong.

We had a quart Thermos with us which we used constantly. We usually had an early start which meant a rush in the morning and so we had hot tea or Bovril made overnight and put in the Thermos to serve us in the morning before we set out. We could have done with another in addition.

A couple of mule or camel *pakhals* (according to the size of the party) should form part of the equipment. They are, of course, a necessity if you are proceeding through a waterless district, and, if you are fortunate enough to camp near water, come in useful as water vessels.

It is as well to take some spare cooking pots. Arab chiefs, their *asakir*, your escort and even the camelmen, often want to borrow them and one likes to be

able to oblige them. But see that they are returned at once as the borrowers have a nasty habit of keeping them until forgotten.

Supplies.—The amount of supplies one takes up with one depends, of course, (1) on the country through which you will pass, (2) on the degree of hospitality expected.

In Yafa, except in the Wadi Hattat and Wadi Sulub, meat, chickens, eggs, milk and honey were almost always obtainable, while at Al Qara, where there was a shop, and at market towns in Upper Yafa, such as Di Sura and Sera, one could buy such things as flour, sugar, sweet potatoes, onions, ghi and oil.

In Upper Yafa we got very good tomatoes, and both in Lower and Upper Yafa a sort of marrow called "Qărā" was obtainable, also radishes.

In some parts of Yafa, notably in the Sha'abal-Yahud, they grow plantains. Sweet limes, too, were common.

As regards supplies which we took with us from Aden, we found oatmeal a great stand-by. A plate of porridge goes a long way and is a good start, especially if one's next meal is a long way off. We were 48 days away and had porridge very nearly every day, and the two of us consumed seven 1-lb. tins of oatmeal, or a tin a week. This is given as a rough estimate.

We only took up 22 lb. of potatoes and finished our supply in three weeks and had to live on sweet potatoes for the remainder of the time.

We took up half-a-dozen bottles of Bovril with us and found that a cup of Bovril in the early morning before starting our march was very sustaining.

For entertaining Arab chiefs, coffee should form part of one's supplies, with a supply of ginger. Also a quantity of almonds and raisins and some cheap sweet biscuits. The ordinary round, Arab coffee cups, without handles and of strong make, may be bought in the bazaar.

A supply of Keating's powder should not be forgotten. It will be found a necessity when one is lodged in a *dar*.

Clothing.—Warm clothing should be taken up to Yafa, as it gets very cold.

The going is very rough and stony and, if one walks a lot, it is very hard on one's footwear. Plenty of spare boots and shoes should be taken. In the rough, hilly country one has to traverse, footwear without heels is best, and the soles should be made either of chrome or rope. The ordinary canvas shoes with rope soles which one buys in the bazaar are as good as anything. They wear out quickly, but last longer if they have a toecap of leather sewn on to them. Anyhow they are cheap, Rs. 1/6/– a pair, (before the war they were only –/10/–) and can be thrown away as they become worn out. Personally I wore a pair of very light, soft-skin boots with chrome soles which lasted me to the Wadi Sulub although I walked most of the way. In desert country, it is best to wear a light pair of boots over stockings (if one wears shorts) with a strip of puttee round the top to keep the sand out. I think in any case that this is advisable as, even in stony tracks, small stones are apt to get in through the top of one's boots unless they have something round their tops.

Whether one wears shorts, breeches or trousers depends on one's own inclination and whether one is going to walk or ride. Personally I prefer shorts at all times.

About headgear I am not in a position to give advice. If one wears a *topi* it should be as light as possible. I myself dislike a *topi*—it is hot and uncomfortable—and the sun does not affect me, and if I were not wearing a *puggri* I should wear a lightweight tweed hat. People are much more likely to go down from the heat than from the sun.

Sunglasses should be avoided if possible. With little training it is quite easy to do without them if one's eyes are in normal condition.

The rest of one's clothing is a matter for the individual, also the amount one takes, but as little as possible should be taken—and clothing can be washed in Yafa—having in view the fact that the less transport in Arabian travel the better.

APPENDIX B.

The Lower Yafa.

Statement showing the various sections of the Ahl Kalad Tribe.

Serial Number.	*Names of Sections.*	*Names of Wadis, Gabals and Villages inhabited by the Tribesmen.*	*Names of Head and petty Sheikhs and Akils.*	*Number of Fighting Men.*
1	Galladi - - -	Wadis Hummar and Maha	Sheikhs Zaid bin Ali and Abdulla Ibid.	110
2	Ahl Saeed - -	Wadis Hatat, Maha and Hag	Sheikh Husen Thabit -	150
3	Ahl Yusuf - -	Namakah and Bana - -	Sheikhs Kadir Kasim, Saleh Ali, Fadal Haitham and Zaid Husen.	100
4	Raha - - -	Wadi Hatat and Lijmat Bana.	Sheikhs Hason Ali and Saeed Atif.	90
5	Manasir - - -	Wadis Kilsan, Karad, Khira, Satham, Al-Galla and Ar-Rawwa.	Sheikhs Naji Ali, Atif Mohsin, Husen Mohamed, Ahmed Ali bin Ghazi and Hason Obeid.	400
6	Bakiri - - -	Al Ghurer, Khira, Rida'a, Walakh and Al-Hurdi.	Khodur Mohamed, Ibid Nasir, Khodur Abdulla, Abdul Rub Mogammal and Abdul Rub bin Ziyad.	400
7	Gurdumi - - -	Sokha'a, Al Hajib and Al Faris.	Sheikh Ali Nasir Za'bali -	100
8	Galladi Al Gabal and Al Wad.	Wadi Sarar, Gabal Mawfaga and Wadi Rakhamaand Al Husn.	Head Sheikh Ali Haidara, Badr bin Mohamed and Munasur bin Haidara.	600
9	Sunedi - - -	Am Rash, Al-Hijar and Jabal Sinedi.	Sheikh Zain bin Mohamed	100
10	Al Agrur - - -	Hablah, Al Gabal and Al Gahili.	Sheikh Ahmed Abdul Kawi and Abdulla Abid.	50
11	Al Alawi and Al Hagi	Gabal Ahl Ali - - -	Sheikh Saeed Salim and Othman Ahmed.	200
12	Al Hanashi - -	Sha'ab Gidas - - -	Salim Ali Sowad - -	100
13	Al Salimi and Al Komati.	Gabal Ahl Salim and Gabal Ibn Kamata.	Sheikh Mohamed Ali, Salah Abdul Kawi and Atif Gabran.	80
				2,480
	Sections of Ahl Yahar (and Al Khomwas) Tribe.			
1	Ahl Ibn Saba'a and Himyar Al Gabal.	Al Kuren, Gabal Lamtur Hadida and Lakamat al Watah.	Head Sheikh Rajeh bin Haitham bin Saba'a, Hanash Abd Rabo, Awad Mas'ood and Abd Rabo Ghalib.	350
2	Himyar al Wad -	Al Hashash, Habal Am-Hal, Ad-Dar, Kilah and Sidyah.	Sheikh Othman bin Mohamed, Saleh Mohsin bin Shiga and Mohamed Obad.	400
3	Himyar Al Wasat -	Lakmat al Harbi, al Husn, Soweda and Kindas.	Sheikh Thabit Saleh al Harbi	300
4	Al Alawi - - -	Astalah, Na'm and As-Safi	Sheikh Othman bin Attif, Ghalib Abdulla bin Husen and Saeed Naji bin Moftah.	500
5	Ar-Rabie - -	Ad-Dafir, Al A'adi, Al-Ghailiyat.	Sheikh Abdul Karim bin Haitham.	300
6	Al Moslimi - -	Al-Mokhzan, Al-Gurebah, Ad-Domwa'a and Sarar Ahl Moslim.	Sheikh Ali Thabit and Ibn Asa'd Ali.	350
7	Ash-Shabahi - -	Dira' Ad-Dakhla, Al-Bayada Jabal Heed and Saktah.	Sheikhs Saleh Nehia bin Mokherish and Sef Ahmed.	200
8	Ad-Dobhi - -	Khirbat Ibn Shandur, Dira' Ad Dor, Al-Masaya bah al Masraga and Kod al Matari.	Sheikhs Gabran Nasir and Abd Rabo bin Haidara.	300
9	Al-Omari - -	Habil Al Fadl, al Kaher, al Kamma, al Lakmaq, Al Khadra, Moshat, Al-Kemah, Subsab and Rodam.	Sheikhs Talib Haidara bin Hilbub and Obad Rajeh.	1,600
			Carried forward	4,300

Serial Number.	Names of Sections.	Names of Wadis, Gabals and Villages inhabited by the Tribesmen.	Names of Head and petty Sheikhs and Akils.	Number of Fighting Men.
			Brought forward	4,300
10	Al Moharrami - -	Al Katat, Ghail Asal, Karyat, Ibn Salah, Haid Ash-Shara, Taiz, Dira Ali, Imran, Mazaba, Husn Ash-Shanafir.	Sheikhs Yahia Badr and Rajeh Saleem.	450
11	Al Ibdili - - -	Karyat Nasir, Masnaa, Lakmat at Ibn Daban, &c.	Sheikh Saeed Thabit - -	450
				5,200
		Sections of the Ahl Saad Tribe.		
1	Al Amri and Al Baricc	Al Khalwa and Shib al Bara	Sheikh Othman Abdul Kawi	150
2	Al Mohammadi -	Benan, Al Gabal and Imran	Gabran Ahmed and Monasir bin Ahmed bin Dakdak.	100
3	Ahl Dthawad - -	Al Mosif, Dish-Sharik, Naom, Kudhah and al Gabal.	Sheikh Awad Mohsin bin Dayan.	300
4	Ahl Omar - -	Falsan, Al Barik, Naom and Kudhi.	Sheikh Thabit Othman -	300
5	Ahl At Tam - -	Dalaman and Aryamah	Sheikh Shaif Thabit, Husen Saleh al Harbi and Saleh Husen bin Sheikh Ali.	100
6	Ahl Bal Lahmar -	Hilam, Noman, Al Khariba Thamar, and Al Asruh.	Sheikh Salim Abdul Kawi, Mohsin Abdul Hadi and Saleh Omer bin Garada.	300
7	Ahl Walan - -	Mirban, Al Hanaka, Sharyan, Ar Ritka and Makyat.	Head Sheikh Abdulla Ali Amudi, Ahmed Zain, Saleh Mohsin, Mohdar Ahmed.	100
8	Al Kabila - -	Shamsan Ad Dafir and Masnaa.	Salim Obeid and Ahmed Abdul Kawi.	100
				1,450
		Sections of Ahl Di Nakhib Tribe.		
1	Ahl Am Koraa (or Ahl Am Shak).	Sabeeh and Sulub - -	Sultan Al Khodur bin Mohamed Ash-Shaki.	100
2	Ahl Nasr (section of Ahl Am Shak).	Sulub - - - - -	Sheikh Ali Haidara - -	80
3	Ahl Kasad - -	Wadi Shayoha (3 villages)	Sheikh Salah Salim - -	80
4	Gidebi - - -	Wadi Marsa (2 villages) -	Sheikh Saleh Ahmed an Gudebi.	50
5	Nakhibi Ar Rahaba	Wadi Hadak (1 village) -	Sheikh Saleh Abdulla An Nakhibi.	50
6	Al Ghobran - -	Wadi Hadak (2 villages) -	Sheikh Saleh Abdulla Baraee.	60
7	Ahl Ammar Behani -	Wadi Tisa - - -	Sheikh Omar Saleh and Salim Abdulla.	100
8	Bani Asar - -	Ahl Thilat at Wadi Tisa -	Sheikh Saleh Abdulla -	100
	,, ,, - -	Atf Ar Rah Wadi Tisa -	Sheikh Thabit Ahmed Salim.	100
9	Kohali Al Silla -	Wadi al Irka - - -	Head Sheikh Taher Awad -	50
	Kohali Bain As Siyal	Bain As-Siyal - - -	Sheikh Ali Mohamed -	50
10	Ahl al Kohaim -	Sorak at Wadi al Irka -	Sheikh Saleh Hason al Kohaim.	50
11	Ahl Huzur - -	Karyat Huzur - - -	Sheikh Ahmed al Hag and Awad Saleh.	100
12	Ahl As-Sobahi -	Salama - - - -	Sheikh Ahmed Abdul Rahim	20
13	Ahl Awad - -	Durab - - - -	Sheikh Saleh Abdulla -	20
14	Ahl Ilaya - -	Mazaba - - - -	Sheikh Abdulla bin Saleh and Abdulla bin Abdulla.	60
15	Ahl Mansoor - -	Az-Zifk - - - -	Sheikh Ahmed Saleh and Mohamed Ahmed.	100
	,, ,, - -	Dabag - - - -	Mohsin Abdul Rub - -	50
16	Ahl Seh - - -	Wadi Seh - - - -	Sheikh Hussain Abdulla -	20
17	Ahl bin Nagi Di Nakhib.	Humhumah and Mudada -	Sheikh Saleh Ghalib and Abdul Rub Saleh.	100
18	Ahl al Hag - -	Ar Rahwa - - -	Sheikh Mohamed Saleh -	50
19	Ahl Marsad - -	Al Hanaka - - -	Sheikh Alawi Abdulla -	60
20	Ahl Nashad - -	Ash Shiab - - -	Sheikh Abdulla Saleh -	40
21	Ahl Arash - -	Harib - - - -	Zaid Abdul Wahid -	40
				1,530

Serial Number.	Names of Sections.	Names of Wadis, Gabals and Villages inhabited by the Tribesmen.	Names of Head and petty Sheikhs and Akils.	Number of Fighting Men.
		Sections of the Ahl Yazid Tribe.		
1	Ahl al Batati - -	Al Khadra - - -	Head Sheikh Ali Abdul Qawi	50
2	Naffagi - - -	Karyat and Ahl Naffag at Jabal Ahl Yazid.	Sheikh Gabran Abdul Rub	50
3	Al Kababi - -	Mihras and Sakl - -	Sheikh Saleh Abdulla Ba Dokhaim and Abdulla Khadir.	300
	1. Sinani. 2. Dhawadi. 3. Gabbari. 4. Abdulli. 5. Dahuki.	Di Gilaid Tikababa, Ahram, Al Mihras, Dil Malsh, Al Khariba, At Tanika, Ar Rahwa and Lakwad.	Abdulla Husn bin Tok, Abdul Rahim Abdul Rub Haitham Thabit, Nasir Saleh, Mohamed Abdi, Awad Husein Dawadi, al Haj Mohamed Sali, Sinani Saleh Ahmed and Haj Nasir Abdulla Dahuki.	400
4	At Tollubi - -	Tollub, Dar As-Silaba, Karyat Ahl Ahmed and Dakkat bin Salim Mawda.	Sheikh Saleh Abdul Gabbar, Attif Ahmed, Abdulla Mohamed and Abdulla Suleh bin Ibid.	400
	1. Salini. 2. Ahmadi. 3. Ahl Salim Mawda			
5	Hamaee - -	Karn al Habil, Karyat al Gohar, Karyat al Obeid, Karyat Ahl As-Saeedi.	Sheikh Saleh Abdulla bin Girhum, Sheikhan Abdulla, Awad Saleh and Sakaf bin Sanad.	300
	1. Ahl Gohar. 2. Ahl Obeid. 3. Ibn Azan. 4. Saleh Sanad. 5. As.Saeedi.			
6	Ahl Ibyan - -	Dira Awan - - -	Alawi Abdul Rub - -	30
7	Ahl Suleman - -	Ahl Ilfah - - - -	Ahmed Abdul Kader - -	30
8	Ahl Hindi - -	Dira As-Sabeel - - -	Abdulla Ahmed - - -	30
9	Ban Bakash - -	Al Kafla - - - -	Mohamed Saleh - - -	40
				1,630
		Sections of the Ahl Mash-Ala Tribe.		
1	At Talibi - -	Al Hamra, Wadis Yaman and Aram Tafamah, Ahib al Aymar and Shib al Daboi.	Head Sheikh Saleh Salim -	400
2	As Salimi - -	Tikura, Ishdid, Sekhla and Al Biren and Ad Danaba and Robud.	Haj Yehia Salim al Hakami and Alawi Husen bin Draflah As Sowat.	300
3	As Saadi - - -	Rahwat bin Kodish, Shobah, Al Adam, Gabal Robud and Humhumain.	Sheikh Saad bin Gabran -	150
4	At Tammi - -	Al Akabah, Wadi Dol -	Sheikh Ahmed Monassar bin Ogail.	150
				1,000

APPENDIX C.

The Upper Yafais are divided into two tribes, viz., the Dubi and the Mausatta. The Dubi tribe proper consist of the following six sections. The Dubi Sultan and the Dubi Sheikhs of Ahl Atif Jabir have separate Maktabs or tribes also nominally under them, though they are entirely independent of them, yet they were in the past called dependents on them and espouse each other's cause when necessity demands it. Present experience has shown that they disown the Sultan's authority over them. The nominal Sultan and the Head Sheikhs of the Dubi tribe are Sultan

Saleh bin Omer and the Dubi Sheikhs. Both the Sultan and the Dubi Sheikhs of Ahl Atif Jabir and their dependents are shown below in detail.

Names of Sections and Tribes.	*Names of Chiefs and petty Chiefs.*	*Names of Villages.*	*Number.*	*Remarks.*
Ahl-Ash-Sheikh Ali	Sultan Saleh bin Omer and relations.	Mahjaba, As-Sarifa and Hasahis.	150	Both at Mahjaba and Al-Had.
do. -	Sultan Fadl bin Mahomed and relations.	Mahjaba - - -	10	
Haidi, Gohri, &c. -	Sheikhs Abdul Rub Saleh and Husen Ali Gohari, &c., under Sultan Saleh.	Subjects at Al-Had -	500	Sultan Saleh gets tithes, &c. from them.
Ahl Atif-Jabir -	Sheikh Salim Saleh and relations.	Disura - - -	30	
1 Suraie - -	Sheikh Abdul Rehman Ahmed bin Diraa and seven other petty Chiefs.	Disura and Al-Masalla -	200	
2 Sharafi - -	Sheikh Saleh Salim, Saleh Husen Ash-Shawadi, Salim Bubakr Antari and two others.	Ahl-Mohis, Antar, Ind Ahl Ayash and Tisharek.	200	
3 Taf-fi - - -	Sheikh Mohsin Abdulla, Sadik Khadir and Othman Saleh Ali.	Al-Mason, Al-Hagar, Al-Kafaa Al-Moseniaa, all of which called Attif.	100	
4 Salafi - - -	Sheikh Nasir Ahmed, Fakeh Nasir Husen and Salim Husen.	Salafah, Ind Al-Nemsi, Al-Hinal and Mahjaba.	150	
5 Salahi - - -	Sheikh Abd Rabo bin Hatim, Fadel Abdulla and four others.	Al-Khalwa, Risab al Ma'bal, As-Sohella, Al-Bosin Kindul and Risab.	250	
6 Saeedi - - -	Sheikh Mohamed Kasim Husen Yahia, Thabit Saleh and Saif Awad.	Kidra - - - -	50	
So-called Dependents of the Dubi Tribe though entirely independent.				
Mead Maflahi Sheikh	Sheikh Abdul Rehman bin Kasim and relations.	Jurba - - - -	20	
Ahl-al-Gurbah -	Sheikh Abdulla Saleh and Sakkaf Saleh.	Jurba (Dame') - -	120	
Half of Al-Athara -	Sheikh Saeed Ahmed Sakanader.	Athara - - - -	100	
Ahl Manfara - -	Sheikh Mothanna Mogali	Manfara - - -	80	
Ar-Rubo' - -	Sheikh Mahomed Nagi bin Gemal.	Jabal Ash-shibr and valleys and Al-A'nuk.	100	
Ahl Yunis - -	Sheikh Yehia Salim and Mohamed Salim.	Al-A'di and Ad-Dafis -	100	
Ahl Haman - -	Sheikh Kasim bin Kasim Abdulla Na'mani.	Na'man, Al-Kayada, &c.	70	
Ad-Dtharahin living at Jabal-Al-Ali.	Sheikh Mahomed Abdul Karim bin Hamza and Saleh Bubakr Az-Zama' ar Ad-Daghfali.	Ash-Sharafa, Al-Barika, Az-Zam-ar and Al-Gharra.	150	
Ahl-Suleman - -	Sheikh Khalid Motahor	Al-Khalika, As-Sahil, al-Mazdba, Rabah and Deha, &c.	200	
Mardaee - - -	Sheikh Mohsin Hasil -	Tisa - - - -	50	
Hadrami - -	Sheikh Mahomed Mohsin Ghalib and his relations.	Al-Shibr and Hatib -	25	
Al-Isaee - - -	Sheikh Saleh al-Isa'ie Akil of Ahl Athulat and others.	Dai'an, Nasba, Ind Ahl-Diban, Somara and Ash-Shaksa.	200	
Al-Ganihi - -	Sheikh Hason Mahomed Al-Ganihi and others.	Ahl Bal Hay, Al-Ganiha, Yasar, Al-Atf, Ash-Shaa Meen, Mazaba, Ind, Ahl-al-Maliki, Thafna and Ash-Sharaf.	250	
As-Sa'adi - -	Sheikh Husen Hamid bin Sa'ad Akil of Ahl Sinan.	Hobat, Al-Arif, Al-Akar, As-fal Hobat, Al-Hadida, Ash-Sharaf, Ahat, Ashobahi and Bain al Husun.	200	
		Carried forward	3,305	

Names of Sections and Tribes.	*Names of Chiefs and petty Chiefs.*	*Names of Villages.*	*Number.*	*Remarks.*
		Brought forward	3,305	
Marfadi - - -	Abdul Rub Saleh Al-Abbadi and Saleh Mahomed.	Marfad, Ind Ahl Asad, Ind Ahl-Armani, Ind, Ahl Fore', Ind Ibn Jabir Awad, Kabad and Al-Mahagi.	150	
Bani Bak - -	Kadi Mahomed Ahmed Izzuddin, Sheikhs Mahomed Ahmed Danosh and Nasir Abdulla Denosh.	Bani Bak - - -	700	An important tribe.
Furdi - - -	Sheikh Saleh Abdul Rub	Furda - - - -	150	
Ad-Daharish living at Jabal Al-Ali.	Sheikh Abdul Kawi bin Ahmed and Yehia Ahmed Ar-Rayashi.	Al-Khariba, Masna Naini and Aryab.	200	
			4,505	

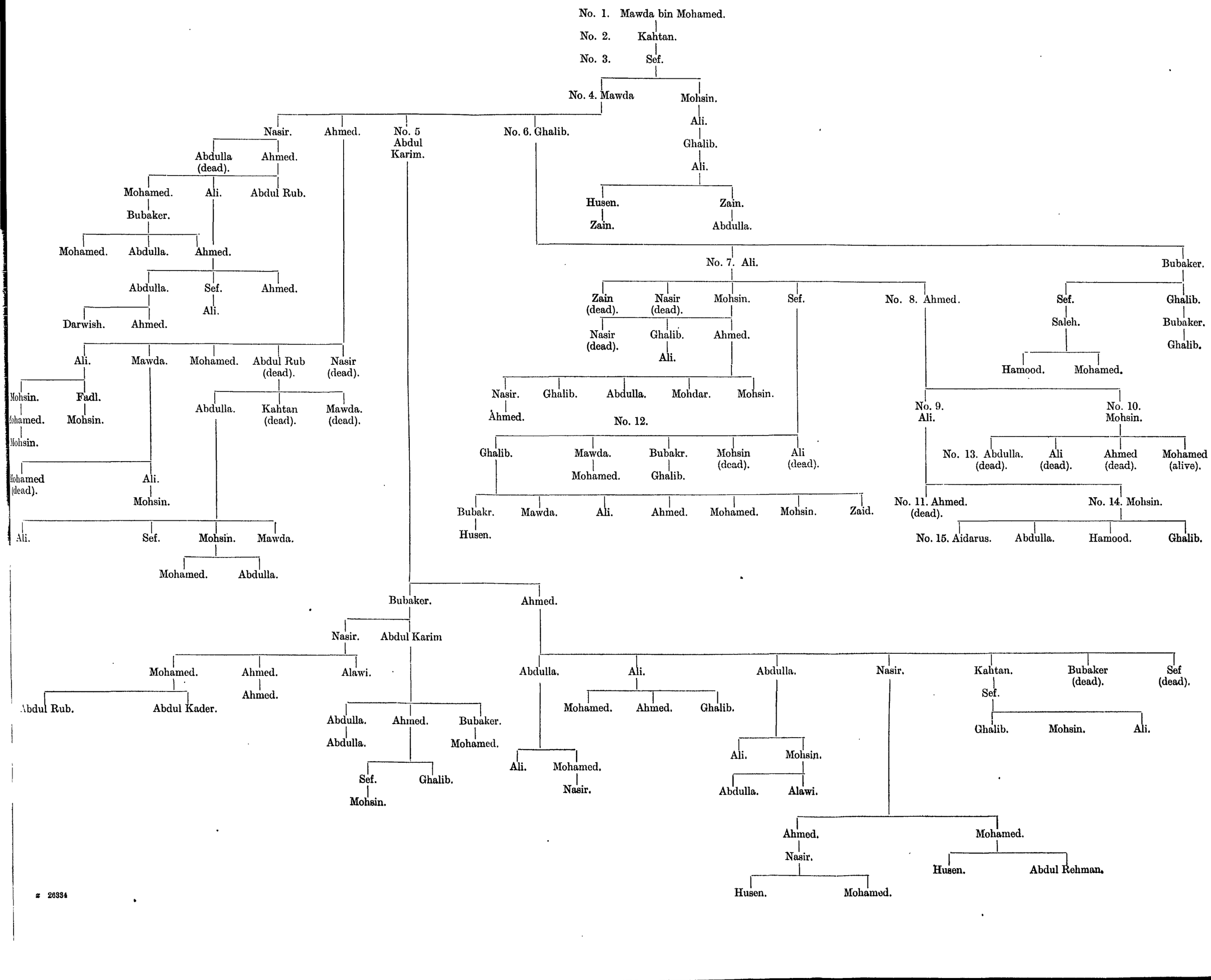
The Upper Yafais are divided into two tribes, viz., the Mausatta and the Dubi. The Mausatta tribe proper consist of the following 4 quarters. The Mausatta tribe have separate Maktabs or tribes nominally under them though they are entirely independent of them, yet they are called dependents on them and espouse their cause when necessity demands it. The Head Sheikhs of the Mausatta are the Nakibs. Experience has shown that all the dependents have respect and obey the call of the Nakibs. Both the Nakibs, Akils of his sections and Sheikhs of the dependent tribes are shown below in detail.

Section and Tribe.	*Names of Head and petty Sheikhs.*	*Names of Village.*	*Number.*	*Remarks.*
Nakibs of Mausatta, 1st quarter of the Mausatta.	Sheikhs Bubakr ali Asker and Mahomed Mohsin Asker and relations.	Kudma - - -	40	
1 Mos'idi - -	Sheikh Kasim Bubak and Abdul Kawi bin Saleh (head Sheikhs of the 1st quarter).	Dar As-Sanina, Al-A'adan, Ar-Rahba, Tilhuli, Mankal Sokam.	200	
2 So'aidi - -	Sheikh Gaber Salah, Saleh Saeed, Kassim Akeel, Awad Nasir Saeed Talib and Nasir Thabit.	Kuro'd, Dthira' Al-Musnaa and Al-Ak'oob.	150	
3 Garadi - -	Sheikh Abdul Hafid bin Husen Mohsin Shehun and others.	Arhal, Dair, Al-Gabub, Half of Athara, Al-Husn, Tihalul and Al Taraf.	150	
Yaslami - - -	Sheikh Mahomed Mohsin Alew.	Tihalul and Al-Taraf -	250	
2nd quarter.				
Hauthari - -	Sheikhs Nasir Yehia bin Saeed Al-Afuf and Monaser Ahmed bin Ali Al-Hag, &c.	As-Seera, Al-Hadida, Komeet, Reed and Garwa.	300	
6 Rushedi - -	Sheikhs Ali Saleh Al-Hurebi and other petty Sheikhs.	Musjid An-Noor, Madwar, Al-Misarah, Al-Akmir, Mahda'a Kirmish, Ash-Shara and Allah.	300	
7 Irwi - - -	Sheikhs Husen Saleh Al-Himyari, Mohamed Abdul Rub and Gharoma bin Abdulla.	Gabal Sinan Shamsan and Daboa'a.	100	
		Carried forward	1,490	

Section and Tribe.	*Names of Head and petty Sheikhs.*	*Names of Village.*	*Number.*	*Remarks.*
		Brought forward	1,490	
3rd quarter.				
8 Bani Alasi - -	Head Sheikh Abdul Kawi As-Sa'adi and Shaiff Saeed.	Hukba, Sanib, Al-Husn and Tabruk.	200	
9 Al-Koaiti - -	Sheikhs Abdulla bin Mahomed bin Atick and Omer bin Jaber.	Mosetir, Karyat al-yam al-alabi, al-gah and other villages at Hatib.	400	
4th quarter.				
10 Al-Isaie - -	Sheikhs Ali Sakander bin Abu Shama and four petty Sheikhs : (1) Haji Ahmed, (2) Omer Monnaser, (3) Mahomed Mothana and (4) Mahomed Ali.	Al-Homara, Al-Ma'zaba, Ar-Rowda Kirnadar, Al kod, Al-Milaba, Alkomo, An-Najd, Al-Gholain, Ad-Dahra, Jabel bin Wodais, &c.	450	
So-called Dependents of the Mausatta, but are entirely independent, as under :—				
Bosi tribe, Dobaie Head Sheikh.	Sheikh Mehsin Salim Ad-Dobaie and relations.	Al-Hajar - - -	30	
Al-Hauri - -	Sheikh Abdulla Ahmed bin Wehais, Mahomed Abd Ahmed Al-Mesari, Mahomed Saeed Al-Matari, Saleh Casem Mokherish and Salim Mahomed Al-Afifi.	Ad-Diwan, Ar-Rubat, Al-Maghra, Ind Ahl Ahmed, Al-Husn and Al-Hagar.	500	
Al-Amri in the Seyalas and mountain.	Sheikhs Mahomed Ali al-Wohairi and Ahmed Mohsin Al-Wohairi and others.	Al-Gehdo, Al-Hart, Sokhyan, Dobba, Bur, Behana, Garf Al-Aboos Adewa and Al-Madeek.	600	
Al-Khulaki - -	Sheikh Yehia Mahomed Husen Al-Khulaki and four petty Sheikhs.	Rhulaka and Hullud -	400	
Ar-Rowi - -	Sheikh Kaim Abdul Safi	Row - - - -	150	
Ad-Dawoodi - -	Sheikh Abdulla Ali and Yehia Omer.	Al-Khalika, Al-Ginab and other places at al Had.	400	Subjects giving certain amount of tithes to the Nakibs.
Ahl-Kureda - -	Sheikhs Mahomed Salim and Abdulla Ahmed.	Kureda - - -	100	
Al-Saeedi - -	Sheikhs Husen Ahmed and two others.	Al-Akmir - - -	100	
			4,820	

APPENDIX D.

To face page 28.



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Report on Expedition to the Yafa Country for the Choosing of Sites for Landing Grounds, November—December 1925.

19*th November*, 1925.

Sultan Aidrus of the Lower Yafa showed us the first of the sites which he thought might be levelled to make a landing-ground. This was in the Wadi Nassuba, below Al Kara to the south-west. The part of the *wadi* which he pointed out was certainly the most suitable part. It was about 350 yards long by about 150 yards across at its widest point. The wadi flows in a south-south-easterly direction. The prevalent wind during the month that we spent in the Yafa country appeared to be from the north-east and it was very light. But in the Wadi Nassuba it was blowing very lightly from the south-south-east—that is, up the *wadi*. I think that was due to the north-east wind being deflected by the range of mountains just to the south. This range includes J. bin Komata and J. Al Salam; each are over 6,500 ft. in height. The surface of the ground consists of nine or ten "terraces," made so for the purposes of cultivation. These "terraces" average about 4 ft. in height. Taking it for granted that this spot was cleared of the stone work forming the walls of the "terraces," and the earth levelled, there would be a falling away of approximately 40 ft. in the total length of the landing ground. The approach is bad as there is a range of hills rising over 800 ft. above the wadi, running east to west across the upper part and within about half a mile of the site. The lower stretch of the wadi bears about 30°, therefore a "take-off" would not be very difficult.

The chief advantages of the site would be:—

(1) Being at the foot of Al Qara, it would be a simple matter to obtain both food and water.

(2) Al Qara being the chief village of the Lower Yafa, any guard required for a machine and crew or runner or caravan, would come from the natives directly under the control of Sultan Aidrus himself.

A runner from Al Qara can reach Aden in about four days; a caravan would take about eight or ten days.

The chief disadvantages of the site would be:—

(1) Cost—both for rental on account of its value from the point of view of the crops that the ground yields, and also owing to the immense amount of earth to be moved, as well as the stone used in building up the "terraces."

(2) The short length of the ground at that height above sea-level—it is over 5,000 ft.

(3) The "fall" in the ground in the direction of landing.

(4) The very bad approach.

(5) There is a good deal of stone in the soil itself.

In my opinion this site for a landing-ground is of no use whatsoever—the disadvantages are too many.

On the same day (19th November) we visited a similar site to the south-east and below Al Qara in Wadi Miraban.

This site is very similar to that in the Wadi Nassuba, but much smaller—about 200 yards by 120 yards—and in places the bedrock appeared through the surface of the soil.

It would be impossible to make a landing ground on this site.

20*th November*, 1925.

We went to see Wadi Hadur. This wadi flows from the north-north-east into the Wadi Am Khadara, about five miles from Al Qara. This site is a little larger than that in the Wadi Nassuba—about 500 yards by 150 yards. This is an impossible site owing to a mountain range running across the upper part of the *wadi*, and at the lower part of the site (where the *wadi* meets the Wadi Am Khadara) they both run into a small, narrow ravine, passing through a range about 200 ft. high. This means that the site has no "approach" or "take-off." Added to this disadvantage there is a good deal of earth to be moved. The Wadi Hadur is about 5,000 ft. above sea-level.

21*st November*, 1925.

We visited the Wadi Rakhama. This wadi is situated about two miles south of Al Qara and it flows from west to east. Two possible sites were pointed out to us, but the larger one was the more suitable of the two. The prevalent winds are guided up the *wadi* by mountains on each side. The "approach" is good and the "take-off" is absolutely open, as the wadi is not very narrow below the point. The bottle-neck at the lower end of the site is about 75 yards across, and from that point the wadi bears very slightly to the left, but it quickly becomes wide again and straight for considerably over a mile. The site itself is approximately 700 yards long by 250 yards across and it is situated below the small village of Khalala which is on the left bank of the wadi, about a quarter of a mile above the village of Rakhama. There is little or no "fall" in the wadi throughout the whole 700 yards. The trouble with the surface would be that it has been "bunded" into small patches which differ in height. There is a good deal of stone and one tree on the site. The cost of levelling the site would be high because of the amount of earth and stone that requires to be removed, but the greater cost would probably be the annual rental owing to the fact that it is used for cultivation, and such ground is very scarce in Lower Yafa. With regard to food and water, these can be obtained quite easily from the villages in that wadi—Khalala is about 200 yards from the landing-ground site, Rakhama is about a quarter of a mile from the place. Rakhama is the more important village because the Sultan of that district lives there.

1*st December*, 1925.

We left the Wadi Sa'id (on our way from Al Qara into the Upper Yafa) and passed down the Wadi Aghbarain. In this *wadi* there is a suitable site for a landing-ground about the same size as that in the Wadi Rakhama—about 650 yards by 250 yards. The "approach" is similar and the "take-off" better, also there is very little stone to contend with in the levelling, and the only great difficulty is a water channel about 10 ft. across and 4 ft. deep which runs diagonally across the site. When I saw this place it was being used for crops. I am very doubtful as to the position of this place, but it is approximately six miles directly due north of Al Qara. The Wadi Aghbarain flows north into the main *wadi* flowing east (Wadi Silub?) and the landing-ground site is within 100 yards of the main wadi. With regard to water and food, there are a few *dars* in the upper part of the wadi and no doubt both could be obtained from these. But the nearest village of any size is Modtheida and it is at least six or eight miles to the north-west over a difficult track, and to get to it a guide would be required.

12*th December*, 1925.

We came down the Wadi Silub as far as Habil al-Habil (the bearing of Al Kara from Habil al-Habil is 227°). About two or three miles from Habil al-Habil we passed a wadi flowing into the Silub from the south—the Wadi Hadak. I had only a few moments in which to look at this ground, where the Hadak joins the Silub, but it looked like a possible site that would require very little clearing. The "approach" was not too good, but it was wide enough and the "take-off" was clear. It looked to be about 400 yards by 150 yards. The surface was free from stone and, although it showed signs of having been cultivated, it was not in use when we passed. All that appeared to be required was that the *bunds* that had been put up when it had been cultivated should be levelled. These bunds could not have been more than 1 ft. 6 in. to 2 ft. in height. However, when we reached Habil al-Habil we discussed the place with the Sultan Aidrus and he promised to give us the exact dimensions in "human" yards when he sent in his estimate to Aden.

Water will not be found near this site, the nearest water will most probably be at Habil al-Habil, about two miles down the main *wadi* (Silub). At Habil al-Habil the water is good and, according to the natives, it flows all the year round. It certainly has that appearance from the patches of grass, moss and shrubs. Food will be a difficulty. As far as I could see, the nearest *dars* were those in the Wadi Aghbarain and the nearest village is Modtheida. Both of these places would be difficult to find without a guide as the Wadi Silub is very inaccurately mapped, let alone its tributaries.

Conclusions.

My own impression of the landing-ground scheme, as far as the Yafa was concerned, was that they would like the site to be near Al Qara. If they could not get it there, or within easy distance of it, then they were quite prepared to drop the matter. The sites that they showed us were in order of their proximity to Al Qara, and the one farthest away was within three to four hours—that was the ground in the Wadi Rakhama. But the last two were come on merely by the fact that the caravan happened to pass that way, and then they did not show any signs of being keen about it. Sultan Aidrus appeared to be far more bothered about his petitions to the Resident than by any particular desire to have aeroplanes over the Yafa country. His only concern about them was that, if they came to his country, we should not use them against people with whom he was not actually at war.

The Upper Yafa is about 7,000 ft. above sea-level and I did not see any possible site for a landing-ground. Two sites were pointed out to me; it was on one of these that Flight Lieut. de Lacroix was expected to land about a year or eighteen months ago, but which, I cannot say. One was an old burial ground about 100 yards by 80 yards, complete with tomb-stones sticking up about a foot out of the ground and the graves close together. The other site was about 40 yards by 20 yards on a level piece of volcanic rock. Both these sites were at about 7,600 ft. above sea-level.

In the event of a pilot having to "forced land" in that part I think that he would require actual cash with him; many of the natives do not trust paper money. A good many of the people will not trust one until they see the money, so I think that cash should be carried as part of the forced-landing outfit.

I should think that if a machine happened to "forced land" it would not be very long before a few natives had collected near it. Quite a number of the natives, particularly on the Wadi Silub, live in booths that are hardly noticed even at twenty yards distance where there are any trees or shrubs about. In this case water and food could easily be procured.

HAROLD WALKER,
PILOT OFFICER.

Not to be destroyed.

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Printed for the use of the Colonial Office.

Middle East
No. 9

TRANSJORDAN CONSTITUTIONAL ARRANGEMENTS.

DRAFT AGREEMENT AND DRAFT ORGANIC LAW [1926-1927].

Printed for the use of the Colonial Office.

Middle East
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TRANSJORDAN CONSTITUTIONAL ARRANGEMENTS.

DRAFT AGREEMENT AND DRAFT ORGANIC LAW [1926-1927].

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C. 9521

No. 1.

PALESTINE.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 3rd May, 1926.)

(Confidential.)

SIR, Government Offices, Jerusalem, 22nd April, 1926.

I HAVE the honour to refer to your Confidential despatch (A) of the 22nd of March, 1926,* on the subject of the control of legislation in Transjordan with especial reference to the agreement to be made in respect of that territory between His Majesty and His Highness the Amir Abdullah.

2. Since December, 1925, when I submitted to be laid before you a preliminary draft of that agreement together with the contingent instrument providing for a constitutional government in Transjordan,† I have had under consideration the views of His Highness the Amir Abdullah together with those of Colonel Cox and other advisers. As a result of these deliberations I am now in a position to transmit a draft of an Agreement and an Organic Law which the Amir is prepared to accept and indeed anxious to bring into force.

3. Except in one respect the drafts now submitted do not differ materially from the drafts submitted in December. The exception to which I refer is found in the composition of the Executive and the Legislative Council (Clauses 19 and 23 of the Organic Law). In the December draft I had contemplated providing for an Executive responsible to the Legislative Council and composed of the elected representatives of the people. I am now persuaded that elections in Transjordan would not yield persons of sufficient education and authority to be entrusted with the administration of departments. In these circumstances I have provided in Clause 19 of the draft for an Executive Council consisting either of ex officio members or of members chosen from the elected representatives, according as the circumstances at any time demand. The members of the Executive Council will be members of the Legislative Council so that there will be combined in the single Legislative Chamber both official and unofficial members.

4. The power to make laws is vested in the Amir in Legislative Council, and in your despatch under reply* you raise in paragraph 3 the question of reserving for your prior sanction certain legislative measures not specified. In reply I suggest for your consideration that the provisions of Article IV of the draft agreement enjoining on the Amir both positive and negative duties in regard to legislative matters concerning His Majesty's international responsibilities and obligations, the provisions of Article V in regard to internal policy under which diplomatic pressure could be brought to bear on the Amir and his Government, and the provisions of Clauses 30 and 34 of the Organic Law, under the latter of which the Amir may reserve for the advice of His Majesty any Law passed by the Legislative Council and must so reserve laws concerning matters dealt with specifically by the provisions of the Agreement together with laws falling within certain specifically defined classes, afford sufficient means for dealing with any situation such as is contemplated in your despatch. I shall be grateful to be informed if you concur in this opinion.

5. I now comment on certain of the less important changes in the drafts.

6. THE AGREEMENT. *Article II.*—I have reserved the definition of the boundaries of Transjordan for future consideration. On the north the boundary from El Hamme is laid down but has not been rectified. On the east the boundary laid down by the Hadda Agreement with Sultan Ibn Saud‡ is in the same condition. On the south only tentative suggestions have been made.

Article VI.—The Amir feels very strongly that the Transjordan Government should not necessarily adopt the identical policy of the Palestine Government in regard to Customs Duties. I am in agreement with him so long as no Customs barrier is erected against Palestine and concurrently that the Customs Tariff of the Transjordan Agreement has the approval of His Majesty's Government.

Article IX.—I have provided that the proclamation of Martial Law in Transjordan shall be made only at the advice of His Majesty's Government.

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* 9946/25: not printed. † 894/26: not printed. ‡ Cmd. 2566.

58039. Wt. 2252/15311 20. 1/30 J. J. K. & Co., Ltd.

7. THE ORGANIC LAW. *Clause II.*—It is now provided that Islam shall be the established religion. This follows the 'Iraq Organic Law.

Clause 15.—The Amir attains his majority upon the completion of his eighteenth year.

Clause 17(2).—Prorogation of the Legislative Council is now included among the powers of the Amir.

Clause 19.—See paragraph 3 above.

Clause 23.—See paragraph 3 above.

Clause 25.—This summarizes disqualifications from membership of the Legislative Council. A similar clause is contained in the 'Iraq law.

Clause 26.—This provides for annual sessions.

Clauses 27 *and* 28.—These deal with the summoning of the Legislative Council and the despatch of business.

Clause 36.—Provision is herein made for extraordinary legislative acts, again on the lines of the 'Iraq law.

Clauses 38 *and* 50.—These create Special Courts having defined jurisdiction.

Clauses 45 *and* 48.—More precise definitions of jurisdiction have now been made.

Clause 52.—This provides for municipal organization.

Clause 63.—Provision is now made for the proclamation of Martial Law. (See Article IX of the Agreement.)

Clause 64.—This provides for altering the Organic Law in order to make it effective in the circumstances of Transjordan.

Clause 65.—Provision is now made for altering the character of the Organic Law. Under Clause 34 any bill dealing with such a matter after being passed by the proper majority of the Legislative Council must be reserved for the advice of His Majesty.

8. From Article V of the Agreement I have caused to be omitted the undertaking by the Amir that he would not appoint or dismiss his Chief Minister without the concurrence of His Majesty's Government. Both His Highness and I felt that this was unnecessarily derogatory in a public instrument of this type. In the Organic Law certain redundancies have also been omitted.

9. I shall be grateful if these instruments may now be considered with a view to concluding this summer the arrangements contemplated for the Government of Transjordan. I presume that it will be necessary to communicate the texts of the Agreement and Organic Law to the Council of the League of Nations.

I have, &c.,
PLUMER, F.M.,
High Commissioner.

Enclosure 1 in No. 1.

AGREEMENT REGARDING TRANSJORDAN.

Revised draft dated 16*th April*, 1926.

Preamble:—

WHEREAS His Majesty has jurisdiction in Palestine in virtue of a Mandate conferred on the 24th of July, 1922, and

Whereas His Highness the Amir Abdullah has set up an Administration in that part of the area under Mandate known as Transjordan; and

Whereas, having regard to the resolution of the Council of the League of Nations, dated 16th September, 1922, His Britannic Majesty's Government are prepared to recognize the existence of an independent Government in Transjordan under the rule of His Highness the Amir Abdullah Ibn Husain provided that such Government is constitutional and places His Britannic Majesty's Government in a position to fulfil their international obligations in respect of that territory by means of an Agreement to be concluded between the two Governments.

Now it is hereby agreed and declared, etc., ... as follows:—

Article I.—The Amir Abdullah Ibn Husain (hereinafter called the Amir) agrees that His Britannic Majesty shall be represented in Transjordan by a British Representative acting through and on behalf of the High Commissioner and Commander-in-Chief of Palestine, and that communications between His Britannic Majesty's Government and the Governments of all other Powers on the one hand

and the Transjordan Government on the other shall be made through the British Representative and the High Commissioner aforesaid.

The Amir further agrees that such proportions of the cost of the office and establishment of the British Representative shall be defrayed from the revenues of Transjordan as may be the subject of special agreement between the contracting parties from time to time, provided that the total annual charge to Transjordan shall not exceed £E3,000.

Article II.—Powers of legislation and of Administration entrusted to His Britannic Majesty as Mandatory for Palestine shall be exercised by His Highness the Amir through such constitutional Government as is defined and determined in the Organic Law of Transjordan (hereto annexed) and any amendment thereof made with the approval of His Britannic Majesty's Government in that part of the area under Mandate known as Transjordan and of which the boundaries shall be defined at the first favourable opportunity.

Throughout the remaining clauses of this Agreement the word "Palestine," unless otherwise defined, shall mean that portion of the Mandated territory which lies to the west of Transjordan.

Article III.—This Agreement shall not come into force pending the setting up of the constitutional Government required in Article II.

Article IV.—The Amir agrees that he will adopt or make all such laws, orders or regulations as may be required for the full discharge of the international responsibilities and obligations of His Britannic Majesty in respect of the territory of Transjordan, and that no laws, orders, or regulations shall be adopted or made by him which may hinder the full discharge of such international responsibilities and obligations.

Article V.—The Amir agrees to be guided by the advice of His Britannic Majesty's Government on all important matters affecting the international and financial obligations of His Britannic Majesty in respect of Transjordan. The Amir undertakes to follow an administrative, financial and fiscal policy in Transjordan such as will ensure the stability and good organization of his government and of his finances. He agrees to keep His Britannic Majesty's Government informed of the measures proposed and adopted to give due effect to this undertaking, and further agrees not to alter the system of control of his public finances.

Article VI.—There shall be no Customs barrier between Palestine and Transjordan and the Customs tariff in Transjordan shall be approved by His Majesty's Government.

The Government of Palestine shall pay to the Transjordan Government the estimated amount of customs duties levied on the part of the goods entering Palestine from territory other than Transjordan which subsequently enters Transjordan for local consumption, but shall be entitled to withhold from the sums to be paid on this account the estimated amount of customs duties levied by Transjordan on that part of the goods entering Transjordan from other than Palestine territory, which subsequently enters Palestine for local consumption. The trade and commerce of Transjordan shall receive at Palestinian Ports equal facilities with the trade and commerce of Palestine.

Article VII.—So far as is consistent with the international obligations of His Britannic Majesty no obstacle shall be placed in the way of the association of Transjordan for customs or other purposes with such neighbouring Arab States as may desire it.

Article VIII.—The Amir undertakes that he will accept and give effect to such reasonable provisions as His Majesty's Government may consider necessary in judicial matters to safeguard the interests of foreigners.

These provisions shall be embodied in a separate agreement, which shall be communicated to the League of Nations, and pending the conclusion of such agreement no foreigner shall be brought before a Transjordan Court without the concurrence of His Britannic Majesty's Government.

The Amir undertakes that he will accept and give effect to such reasonable provisions as His Britannic Majesty's Government may consider necessary in judicial matters to safeguard the law and jurisdiction with regard to questions arising out of the religious beliefs of the different religious communities.

Article IX.—His Britannic Majesty's Government undertakes to raise, organize and control such military forces in the territory as shall in their opinion be necessary for the preservation of peace and order and for the defence of the territory.

The Amir undertakes to follow the advice of His Britannic Majesty's Government with regard to the proclamation of Martial Law in all or any part of Transjordan.

Article X.—His Britannic Majesty's Government shall be entitled at all times to use the roads and railways of Transjordan for the movement of armed forces and the carriage of fuel, ordnance, ammunition and supplies.

Article XI.—The Amir agrees to be guided by the advice of His Britannic Majesty's Government in all matters concerning the granting of concessions, the exploitation of natural resources, the construction and operation of railways, and the making of loans.

Article XII.—The Amir agrees that pending the making of special extradition agreements relating to Transjordan, the Extradition Treaties in force between His Britannic Majesty's Government and the Governments of foreign Powers shall apply to Transjordan. Any such special extradition agreements shall be made between His Britannic Majesty's Government and the foreign Powers.

Article XIII.—This Agreement having been ratified by the constitutional Government to be set up under Article II shall come into force as soon as it has been approved by the Council of the League of Nations to whom it will be submitted by His Britannic Majesty's Government. The constitutional Government shall be deemed to be provisional until the Agreement shall have been so approved. Nothing shall prevent the contracting parties from reviewing from time to time the provisions of this Agreement with a view to any revision which may seem desirable in the circumstances then existing, and any modifications which may be agreed upon shall be communicated to the Council of the League of Nations for their approval.

Enclosure 2 in No. 1.

Organic Law.

Introduction.

1. This Law shall be called "The Organic Law of Transjordan" and its provisions shall apply to the whole country of Transjordan.

2. Transjordan is a State whose independence is guaranteed bv His Britannic Majesty.

3. Amman shall be considered the capital of Transjordan; but the capital may be changed by especial law to another place.

4. The Transjordan flag shall be of the following form and dimensions:

Part I.

Rights of the People.

5. Transjordan nationality shall be determined and acquired and lost in accordance with a special law.

6. There shall be no difference in rights before the law among Transjordanians although they may differ in race, religion and language.

7. The personal freedom of all dwellers in Transjordan shall be safeguarded from aggression and interference and no person shall be arrested or detained or punished or forced to change his residence or submitted to bonds or compelled to serve in the army except in accordance with law. All dwelling-houses shall be safe from aggression and no entry therein or search therein shall be permitted except in the circumstances and in the manner prescribed by law.

8. The Courts are open to all but no person shall be forced to submit to a Court other than the Court having jurisdiction in his case except in accordance with law.

9. The rights of ownership shall be safeguarded; forced labour and general confiscation of immovable property are entirely prohibited. Expropriation of property is forbidden except for purpose of public utility in circumstances to be defined by law.

10. No taxation shall be imposed except by law and taxation shall be applied to all classes.

11. Islam shall be the religion of the State and there shall be insured to all dwellers in Transjordan complete freedom of belief and freedom to practice forms

of worship in accordance with their customs unless detrimental to public safety or order or contrary to morals.

12. All Transjordanians shall be free to express and publish their opinions and to assemble together and to form and be members of association within the provisions of law.

13. The various communities shall have the right to establish and maintain their schools for the teaching of their own members in their own language provided that they conform to the general requirements prescribed by law.

14. The official language shall be Arabic.

Part II.

The Amirate and the Rights of the Amirate.

15. Subject to the provisions herein powers of legislation and administration are vested in Amir Abdullah Ibn Husain and his heirs after him.

The Heir-Apparent is the eldest male in the direct line of descent from the Amir and the Amir shall attain his majority upon the completion of his eighteenth year.

Should the Heir-Apparent succeed to the Amirate not having attained his majority, powers of legislation and administration shall be vested in a Council of Regency the form of which shall be determined by special law.

16. (1) The Amir shall on accession swear an oath before the Legislative Council summoned in accordance with this law that he will safeguard the constitution and be loyal to the country and nation.

(2) The Amir shall be responsible for seeing that no Transjordan territory shall be ceded or leased to, or in any way placed under the control of the Government of any foreign Power.

17. (1) The Amir is the head of the Government of Transjordan. He sanctions and promulgates all laws and supervises their execution. He is not entitled to modify or suspend laws or to give dispensation in their execution.

(2) He issues orders for the holding of elections to the Legislative Council, convokes the Council, opens it, adjourns it, prorogues and dissolves it in accordance with the provisions of the law.

18. The Amir appoints the Chief Minister and dismisses him or accepts his resignation from office. Subject to the provisions of this law and any law enacted thereunder he appoints and dismisses all public officers.

19. There shall be for the purpose of advising the Amir an Executive Council consisting of the Chief Minister and other members not exceeding five in number who shall be appointed by the Amir on the recommendation of the Chief Minister either from among the principal officers of the administration or the elected representatives of the people.

The Executive Council is entrusted with the conduct of the affairs of Transjordan.

It shall meet under the presidency of the Chief Minister to decide as to the measures which should be taken in matters appertaining to more than one Department and to investigate all important matters concerning a single Department. The Minister will communicate to the Amir the decisions of the Council and will ascertain his wishes in regard thereto.

20. The Amir grants and withdraws military and police ranks, save in so far as by special law he has delegated this authority. He confers decorations and other honourable distinctions.

21. No death sentence shall be carried out except after confirmation by the Amir. Every such sentence shall be passed to him by the Executive Council with an expression of their opinion. The Amir may reduce sentences and remit them by special pardon.

22. The Amir will express his will by Iradé. An Iradé shall be issued on the recommendation of the responsible Head of a Department and with the concurrence of the Chief Minister both of whom shall sign the Iradé.

Part III.

The Legislature.

23. The legislative power is vested in the Legislative Council with the Amir. The Legislative Council consists of:—

(*a*) Representatives elected in accordance with the Electoral Law.
(*b*) The Chief Minister and other members of the Executive Council not being elected representatives.

The duration of the Legislative Council shall be for three years.

24. The Legislative Council shall be opened by the Amir in person or by the Chief Minister authorized to make the Amir's speech.

25. No person shall be an elected member of the Legislative Council:—
(1) Who has lost his civil rights.
(2) Who is not a Transjordanian.
(3) Who claims foreign nationality or foreign protection.
(4) Who has not completed his thirtieth year.
(5) Who has been adjudged bankrupt and has not been discharged.
(6) Who has been placed under interdiction by a competent Court and has not been released.
(7) Who has been sentenced to imprisonment for more than one year and has not received a free pardon for the crime for which he has been sentenced.
(8) Who has a material interest, personally or otherwise, in any contract with a public department of Transjordan unless his interest arises through his being a shareholder in any association composed of more than ten persons.
(9) Who is mad or an idiot.
(10) Who is related to the Amir within such degrees of consanguinity as shall be prescribed by special law.

26. Subject to the provision for dissolution in Section 17 (2) the duration of the Legislative Council shall be for three ordinary sessions, one session each year beginning from the 1st of November following the election: and if the 1st of November be an official holiday, then from the day following.

27. The Amir shall summon the Legislative Council to assemble in the capital for the ordinary session on the 1st of November of each year, subject to the provisions of Section 26, and if not so summoned it shall assemble of its own accord in due course of law on the said date when its ordinary session shall begin and this shall extend for four months unless the Legislative Council be dissolved by the Amir before the expiration of that period or unless the session be prolonged by the Amir for the purpose of the despatch of business of urgent nature.

If the session be prolonged then the total period of the session shall not exceed six months.

The Legislative Council may adjourn from time to time in conformity with its Standing Orders.

The Legislative Council shall further adjourn if so required to do by the Amir not more than three times during any one session for stated periods, which shall not altogether exceed a total period of two months. In computing the period of the session the period covered by such further adjournments shall not be taken into account.

28. If the Legislative Council be dissolved a general election shall take place and the new Legislative Council shall assemble in Extraordinary Session not more than four months after the date of dissolution. In any event this session shall be prorogued on the 31st of October so that the first ordinary session of the Legislative Council may assemble at the beginning of November.

29. Every member of the Council shall in the presence of the Council take an oath to be loyal to the Amir and to uphold the public law and the service of the country and for the due performance of the duties entrusted to him.

30. The Legislative Council shall have power and authority, subject always to the provisions of the Agreement between His Highness the Amir and His Britannic Majesty, to pass such laws as may be necessary for the peace, order and good government of Transjordan.

31. Every proposal for a law shall be laid before the Council by the Minister or by the Head of a Department. The annual budget shall likewise be laid in the form of a law before the Council by the Chief Minister or by the Treasurer.

32. No law shall take effect until the Amir shall have assented thereto and signed the same in token of such assent, and until it has been promulgated in the *Gazette*.

The Amir may return a bill with a statement of reasons within the space of one calendar year.

33. No law shall be promulgated unless a draft shall first have been made public for one calendar month at least before the enactment thereof unless immediate promulgation shall, in the judgment of the Amir in Executive Council in agreement with the accredited representative of His Britannic Majesty, be indispensably necessary in the public interest.

34. The Amir may reserve for the advice of His Britannic Majesty any law passed by the Legislative Council and shall in any case so reserve the annual budget law and any law which concerns matters dealt with specifically by the provisions of the Agreement between His Britannic Majesty and His Highness the Amir, and in particular any law of any of the following classes, namely:—
(1) Any law affecting the currency of Transjordan or relating to the issue of bank-notes.
(2) Any law imposing differential duties.
(3) Any law interfering with the discipline or control of His Britannic Majesty's Forces by land, sea or air.
(4) Any law whereby persons who are nationals of any States Members of the League of Nations may be subjected or made liable to any disabilities to which persons who are British subjects or nationals of any foreign State are not also subjected or made liable.
(5) Any special law providing for succession to the Amir's throne, or for the establishment of a Council of Regency.
(6) Any law whereby the grant of land or money or other donation or gratuity may be made to himself.
(7) Any law under which the Amir may assume sovereignty over territory outside Transjordan.
(8) Any law concerning the jurisdiction of the Civil Courts over foreigners.
(9) Any law altering, amending or adding to the details of the provisions of this Organic Law.

35. Any member of the Council may raise in the Council a question on any matter concerning the public administration.

36. If necessity should arise, when the Legislative Council is not sitting, for urgent measures to be taken for the maintenance of public order and security, or for repelling a public danger, or for urgent expenditure not sanctioned by the Budget or by special law, or for the purpose of securing the fulfilment of treaty obligations, the Amir may, with the concurrence of the Executive Council, pass Ordinances directing the necessary measures to be taken.

Such Ordinances, which shall not contravene the provisions of this Organic Law, shall have the force of law. With the exception of those passed for the purpose of securing the fulfilment of His Britannic Majesty's international responsibilities and obligations in respect of Transjordan, they shall be submitted to the Legislative Council at the beginning of its session.

If the Legislative Council shall not accept any such Ordinances so submitted the Government shall notify the cessation thereof and from the date of such notification the Ordinance shall cease to be in force.

Throughout this Organic Law the expression "law" or "laws" shall include an Ordinance or Ordinances passed by virtue of the provisions of this Section unless there is anything in the text of this Organic Law repugnant thereto.

Part IV.

The Judicature.

37. Civil and Shari'a Judges shall be appointed by Royal Iradé and shall be irremovable except as provided by the provisions of a special law dealing with their qualifications, appointment, grades, and the manner of their conduct.

38. The Courts shall be divided into three classes:—
(1) Civil Courts.
(2) Religious Courts.
(3) Special Courts.

39. Subject to the provisions of this Organic Law the constitution, place of sitting, grades and divisions of all Courts and their jurisdiction and administration shall be determined by special laws.

40. All Courts shall be free from interference.

41. All trials shall be public except where, for reasons to be prescribed by Law, Courts may sit *in camera*.

All judgments shall be issued in the name of the Amir.

42. The Civil Courts shall have jurisdiction over all persons in Transjordan in all matters civil and criminal including cases of claims by and against the Transjordan Government, except in such matters which by the provisions of this Organic Law or of any law for the time being in force shall be assigned to the jurisdiction of the Religious Courts or Special Courts.

43. (1) The civil and criminal jurisdiction of the Civil Courts shall be exercised in accordance with the law for the time being in force.

Provided that, in matters regarding the personal status of foreigners or in other matters of a civil and commercial nature in which it is customary by international usage to apply the law of another country such law shall be applied in a manner to be prescribed by law.

(2) For the purpose of this Organic Law the expression "foreigner" means any person who is a national or subject of a European or American State or of Japan, but shall not include:—

(i) Native inhabitants of a territory protected by or administered under a Mandate granted to a European State.

(ii) Ottoman subjects.

(iii) Persons who have lost Ottoman nationality and have not acquired any other nationality.

The term "subject" or "national" shall include corporations instituted under the law of a foreign State, and religious or charitable bodies or institutions wholly or mainly composed of the subjects or citizens of such a State.

44. The Religious Courts shall be divided into—

(*a*) Moslem Courts.

(*b*) Religious Community Councils.

45. The Moslem Courts shall have exclusive jurisdiction in matters of the personal status of Moslems and matters connected with the constitution and administration of their Waqfs.

Where a matter of personal status concerns both Moslems and non-Moslems, the Civil Courts shall have jurisdiction unless all parties consent to the jurisdiction of the Moslem Courts.

The Moslem Courts shall also have jurisdiction in applications for *diyet* where all the parties are Moslems or where all the parties consent to the jurisdiction of the said Courts.

For the purpose of this Organic Law matters of personal status mean suits regarding marriage or divorce, alimony, maintenance, guardianship, legitimation and adoption of minors, inhibition from dealing with property of persons who are legally incompetent, successions, wills and legacies and the administration of the property of absent persons.

46. The jurisdiction of the Moslem Courts shall be exercised in conformity with the principles of Shari'a Law.

47. The Religious Community Councils shall comprise such Councils of religious Communities, not Moslem, as shall be established and invested with judicial power under the authority of special laws.

48. The Religious Community Councils shall have

(i) Exclusive jurisdiction in matters of marriage, dowry, divorce, maintenance between husband and wife, and the attestation of wills so far as concerns the members of their communities other than foreigners, except in regard to those matters which come within the jurisdiction of the Civil Courts.

(ii) Jurisdiction in any other matters of personal status concerning members of the communities if all parties concerned agree.

(iii) Exclusive jurisdiction in matters connected with the constitution and administration of Waqfs for the benefit of members of their communities.

49. The procedure to be followed and the fees to be levied by the Religious Community Councils shall be determined by special law. A special law shall also regulate inheritance, testamentary procedure and such matters of personal status as lie outside the exclusive jurisdiction of the said Councils.

50. Special Courts may be established by law for the following purposes:—

(1) The trial of members of any military force in Transjordan for offences prescribed by military law.

(2) The settlement of tribal disputes in matters of a civil and criminal nature, in accordance with the customs of the tribes as shall be prescribed by special law.

(3) The settlement of cases concerning the enjoyment of and the boundaries of land.

Part V.

Administration.

51. The manner of the appointment and dismissal of all public officers and the administrative divisions of Transjordan, their classes and names and the manner of their administration and the jurisdiction of their officers and their nomenclature shall be prescribed by law.

52. The municipal affairs of the cities and towns of Transjordan shall be administered through Municipal Councils in accordance with a special law.

Part VI.

Validation of Laws and Judgments.

53. Except in so far as they may have been amended or repealed by the proclamations, rules and laws mentioned in the succeeding Articles the Ottoman Laws promulgated on or before the 1st of November, 1914, and the laws which were promulgated after that date and declared by Public Notice to be in force and have remained in force up to the date of this law shall remain in force, as far as circumstances permit, until the legislative authority established by this Organic Law shall repeal or alter them.

54. All Legislative acts done by the constituted authority in Transjordan since the 23rd day of September, 1916, shall be deemed to be and always to have been valid and of full effect until repealed or superseded by the legislature established under this Organic Law and all prohibitions contained therein shall be deemed to be valid.

55. All acts referred to in the two preceding Articles shall be presumed to have been done or directed to have been done in good faith unless proof to the contrary is brought by the party complaining, and any action or other legal proceedings against any person in respect of such acts shall be discharged and become null and void unless the party complaining shall bring proof as aforesaid.

Part VII.

General.

56. The organization and the financial and other administration of the affairs of the Moslem Waqfs will be prescribed by special law. The Department of Waqfs shall be considered to be one of the Departments of Government.

57. No tax shall be imposed except by law provided that this shall not apply to income which may be received by Government Departments in return for public services, or for the enjoyment of Government property.

58. No part of the fund in the Public Treasury shall be appropriated for pay, compensation or other expenditure except by law and nothing shall be expended out of such appropriations except in manner provided by law.

59. The appropriations for each year shall be sanctioned by an annual law to be called the Budget Law which shall include therein the estimates of revenue and expenditure for that year.

60. The Civil List of the Amir shall be a charge on the revenues and shall be sanctioned in the Budget Law.

61. (1) All rights in or in relation to any public lands shall vest in and may be exercised by the Amir in trust for the Transjordan Government.

(2) All mines and minerals of every kind and description whatsoever being in, under or on any land or water whether river or inland sea shall vest in the Amir subject to any right subsisting at the date of this Organic Law of any person to work such mines or minerals by virtue of a valid concession.

62. The Amir may make grants or leases of any such public lands or mines or minerals or may permit such lands to be temporarily occupied on such terms or conditions as he may think fit subject to the provisions of this Organic Law.

Provided that no such grant, lease or other disposition shall be otherwise than in conformity with law.

63. In the event of disturbances occurring, or should there be indications of anything of that nature in any part of Transjordan, or in the event of danger of hostile attack on any part of Transjordan, the Amir, with the concurrence of the Executive Council, shall have power to proclaim martial law as a temporary measure in all such parts of Transjordan as may be affected by such disturbances or attack.

The ordinary law of the State may be temporarily suspended in such district or districts as may be named and to such an extent as may be specified in any such proclamation, provided that all persons shall be and remain legally liable in respect of all acts done by them in pursuance of such proclamation unless and until they shall have been indemnified by special law passed by the Legislative Council for that purpose.

The method of administration of districts proclaimed to be under martial law shall be proclaimed by the Amir's Iradé.

64. The Amir may by Proclamation at any time within two years from the date of the commencement of this Organic Law, and subject to the provisions of Section 34 hereof, vary, annul, or add to any of the provisions of this Organic Law in order to carry out the purposes of the same, and may provide for any other matters necessary in order to carry into effect the provisions thereof.

65. After such period of two years and subject always to the provisions of Section 34 hereof, no change may be made in this Organic Law except by a law passed by a majority of not less than two-thirds of the members of the Legislative Council.

66. This Organic Law shall enter into force from the date at which the Amir assents thereto.

The assent of the Amir thereto shall be in accordance with the provisions of the Agreement between His Britannic Majesty and the Amir.

C. 22848

No. 2.

AGREEMENT REGARDING TRANS-JORDAN.

December, 1926.

REVISED draft dated April, 1927.

Preamble.

Whereas His Britannic Majesty in virtue of a Mandate entrusted to him on the 24th of July, 1922, has authority in the area covered thereby; and

Whereas His Highness the Amir of Trans-Jordan has set up an Administration in that part of the area under Mandate known as Trans-Jordan; and

Whereas His Britannic Majesty is prepared to recognize the existence of an independent Government in Trans-Jordan under the rule of His Highness the Amir of Trans-Jordan provided that such Government is constitutional and places His Britannic Majesty in a position to fulfil his international obligations in respect of that territory by means of an Agreement to be concluded with His Highness.

Now therefore His Britannic Majesty and His Highness the Amir of Trans-Jordan have resolved to conclude an Agreement for these purposes and to that end have appointed as their Plenipotentiaries :—

His Majesty The King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India

A. B.

His Highness The Amir of Trans-Jordan

C. D.

Who having communicated their full powers found in good and due form, have agreed as follows :—

Article I.—His Highness the Amir agrees that His Britannic Majesty shall be represented in Trans-Jordan by a Chief British Representative acting on behalf of the High Commissioner for Palestine and Commander-in-Chief therein, and that communications between His Britannic Majesty and all other Powers on the one hand and the Trans-Jordan Government on the other shall be made through the Chief British Representative and the High Commissioner aforesaid.

His Highness the Amir agrees that the ordinary expenses of civil government and administration and the salaries and expenses of the Chief British Representative and his staff will be borne entirely by Trans-Jordan. His Highness the Amir will provide quarters for the accommodation of members of the staff of the Chief British Representative subject to the payment of reasonable rent by the officers concerned.

Article II.—The powers of legislation and of administration entrusted to His Britannic Majesty as Mandatory for Palestine shall be exercised in that part of the area under Mandate known as Trans-Jordan by His Highness the Amir through such constitutional government as is defined and determined in the Organic Law of Trans-Jordan and any amendment thereof made with the approval of His Britannic Majesty.

Throughout the remaining clauses of this Agreement the word "Palestine," unless otherwise defined, shall mean that portion of the area under Mandate which lies to the west of a line drawn from a point two miles west of the town of Akaba on the Gulf of that name up the centre of the Wady Araba, Dead Sea, and River Jordan to its junction with the River Yarmuk; thence up the centre of that river to the Syrian frontier.

Article III.—His Highness the Amir agrees that for the period of the present agreement no official of other than Trans-Jordan nationality shall be appointed in Trans-Jordan without the concurrence of His Britannic Majesty. The numbers and conditions of employment of British officials so appointed in the Trans-Jordan Government shall, if necessary, be regulated by a separate agreement.

Article IV.—His Highness the Amir agrees that all such laws, orders or regulations as may be required for the full discharge of the international responsibilities and obligations of His Britannic Majesty in respect of the territory of Trans-Jordan shall be adopted and made and that no laws, orders or regulations shall be adopted or made in Trans-Jordan which may hinder the full discharge of such international responsibilities and obligations.

Article V.—His Highness the Amir agrees to be guided by the advice of His Britannic Majesty's Government in all important matters affecting the international and financial obligations and interests of His Britannic Majesty in respect of Trans-Jordan. His Highness the Amir undertakes to follow an administrative, financial and fiscal policy in Trans-Jordan such as will ensure the stability and good organization of his government and its finances. He agrees to keep His Britannic Majesty informed of the measures proposed and adopted to give due effect to this undertaking, and further agrees not to alter the system of control of the public finances of Trans-Jordan without the consent of His Britannic Majesty.

Article VI.—His Highness the Amir agrees that he will refer for the advice of His Britannic Majesty the annual Budget law and any law which concerns matters covered by the provisions of this Agreement, and any law of any of the following classes, namely :—

(1) Any law affecting the currency of Trans-Jordan or relating to the issue of bank-notes.
(2) Any law imposing differential duties.
(3) Any law whereby persons who are nationals of any States Members of the League of Nations may be subjected or made liable to any disabilities to which persons who are British subjects or nationals of any foreign State are not also subjected or made liable.
(4) Any special law providing for succession to the Amir's throne, or for the establishment of a Council of Regency.
(5) Any law whereby the grant of land or money or other donation or gratuity may be made to himself.
(6) Any law under which the Amir may assume sovereignty over territory outside Trans-Jordan.
(7) Any law concerning the jurisdiction of the Civil Courts over foreigners.
(8) Any law altering, amending or adding to the details of the provisions of the Organic Law.

Article VII.—There shall be no Customs barrier between Palestine and Trans-Jordan and the Customs tariff in Trans-Jordan shall be approved by His Britannic Majesty's Government.

The Government of Palestine shall pay to the Trans-Jordan Government the estimated amount of customs duties levied on the part of the goods entering Palestine from territory other than Trans-Jordan which subsequently enters Trans-Jordan for local consumption, but shall be entitled to withhold from the sums to be

paid on this account the estimated amount of customs duties levied by Trans-Jordan on that part of the goods entering Trans-Jordan from other than Palestine territory, which subsequently enters Palestine for local consumption. The trade and commerce of Trans-Jordan shall receive at Palestinian Ports equal facilities with the trade and commerce of Palestine.

Article VIII.—So far as is consistent with the international obligations of His Britannic Majesty no obstacle shall be placed in the way of the association of Trans-Jordan for customs or other purposes with such neighbouring Arab States as may desire it.

Article IX.—His Highness the Amir undertakes that he will accept and give effect to such reasonable provision as His Britannic Majesty may consider necessary in judicial matters to safeguard the interests of foreigners.

These provisions shall be embodied in a separate agreement, which shall be communicated to the Council of the League of Nations, and pending the conclusion of such agreement no foreigner shall be brought before a Trans-Jordan Court without the concurrence of His Britannic Majesty.

His Highness the Amir undertakes that he will accept and give effect to such reasonable provisions as His Britannic Majesty may consider necessary in judicial matters to safeguard the law and jurisdiciton with regard to questions arising out of the religious beliefs of the different religious communities.

Article X.—His Britannic Majesty may maintain armed forces in Trans-Jordan, and may raise, organize and control in Trans-Jordan such armed forces as may in his opinion be necessary for the defence of the country and to assist His Highness the Amir in the preservation of peace and order.

His Highness the Amir agrees that he will not raise or maintain in Trans-Jordan or allow to be raised or maintained any military forces without the consent of His Britannic Majesty.

Article XI.—His Highness the Amir recognizes the principle that the cost of the forces required for the defence of Trans-Jordan is a charge on the revenues of that Territory. For the present, Trans-Jordan will bear one-sixth of the cost of the Trans-Jordan Frontier Force, and also, so soon as the financial resources of the country permit, the excess of the cost of the British forces stationed in Trans-Jordan, so far as such forces may be deemed by His Britannic Majesty to be employed in respect of Trans-Jordan, over the cost of such forces if stationed in Great Britain, and the whole cost of any forces raised for Trans-Jordan alone.

Article XII.—So long as the revenues of Trans-Jordan are insufficient to meet such ordinary expenses of administration (including any expenditure on local forces for which Trans-Jordan is liable under Article XI) as may be incurred with the approval of His Britannic Majesty, arrangements will be made for a contribution from the British Treasury by way of grant or loan in aid of the revenues of Trans-Jordan. His Britannic Majesty will also arrange for the payment of the excess of the cost of the British forces stationed in Trans-Jordan, and deemed by His Britannic Majesty to be employed in respect of Trans-Jordan, insofar and for such time as the revenues of Trans-Jordan are insufficient to bear such excess.

Article XIII.—His Highness the Amir agrees that all such laws, orders or regulations as may from time to time be required by His Britannic Majesty for the purposes of Article X shall be adopted and made and that no laws, orders or regulations shall be adopted or made in Trans-Jordan which may in the opinion of His Britannic Majesty interfere with the purposes of that Article.

Article XIV.—His Highness the Amir agrees to follow the advice of His Britannic Majesty with regard to the proclamation of Martial Law in all or any part of Trans-Jordan and to entrust the administration of such part or parts of Trans-Jordan as may be placed under Martial Law to such officer or officers of His Britannic Majesty's forces as His Britannic Majesty may nominate. His Highness the Amir further agrees that on the re-establishment of civil government a special law shall be adopted to indemnify the armed forces maintained by His Britannic Majesty for all acts done or omissions or defaults made under Martial Law.

Article XV.—His Britannic Majesty may exercise jurisdiction over all members of the armed forces maintained or controlled by His Britannic Majesty in Trans-Jordan.

For the purposes of this and the five preceding Articles the term "armed forces" shall be deemed to include civilians attached to or employed with the armed forces.

Article XVI.—His Highness the Amir undertakes that every facility shall be

provided at all times for the movement of His Britannic Majesty's forces (including the use of wireless telegraph and land-line telegraphic and telephonic services and the right to lay land-lines), and for the carriage and storage of fuel, ordnance, ammunition and supplies on the roads, railways and waterways and in the ports of Trans-Jordan.

Article XVII.—His Highness the Amir agrees to be guided by the advice of His Britannic Majesty in all matters concerning the granting of concessions, the exploitation of natural resources, the construction and operation of railways, and the raising of loans. No territory in Trans-Jordan shall be ceded or leased or in any way placed under the control of any foreign Power; this shall not prevent His Highness the Amir from making such arrangements as may be necessary for the accommodation of foreign representatives and for the fulfilment of the provisions of the preceding Articles.

Article XVIII.—His Highness the Amir agrees that pending the making of special extradition agreements relating to Trans-Jordan, the Extradition Treaties in force between His Britannic Majesty and foreign Powers shall apply to Trans-Jordan. Any such special extradition agreements shall be made between His Britannic Majesty and the foreign Powers.

Article XIX.—This Agreement shall come into force so soon as it shall have been ratified by the High Contracting Parties after its acceptance by the constitutional Government to be set up under Article II. The constitutional Government shall be deemed to be provisional until the Agreement shall have been so approved. Nothing shall prevent the High Contracting Parties from reviewing from time to time the provisions of this Agreement with a view to any revision which may seem desirable in the circumstances then existing.

Article XX.—The present Agreement has been drawn up in the two languages, English and Arabic, and the Plenipotentiaries of each of the High Contracting Parties shall sign two English copies and two Arabic copies. Both texts shall have the same validity, but in case of divergence between the two in the interpretation of one or other of the Articles of the present Agreement, the English text shall prevail.

C. 22848

No. 3.

TRANS-JORDAN.

ORGANIC LAW.

Introduction.

1. THIS Law shall be called "The Organic Law of Trans-Jordan" and its provisions shall apply to the whole independent country of Trans-Jordan.

2. Amman shall be considered the capital of Trans-Jordan; but the capital may be changed by a special law to another place.

3. The Trans-Jordan flag shall be of the following form and dimensions:

PART I.

Rights of the People.

4. Trans-Jordan nationality shall be determined and acquired and lost in accordance with a special law.

5. There shall be no difference in rights before the law among Trans-Jordanians although they may differ in race, religion and language.

6. The personal freedom of all dwellers in Trans-Jordan shall be safeguarded from aggression and interference and no person shall be arrested or detained or punished or forced to change his residence or submitted to bonds or compelled to serve in the army except in accordance with law. All dwelling-houses shall be safe from aggression and no entry therein or search therein shall be permitted except in the circumstances and in the manner prescribed by law.

7. The Courts are open to all but no person shall be forced to submit to a Court other than the Court having jurisdiction in his case except in accordance with law.

8. The rights of ownership shall be safeguarded, and there shall be no forced loan or confiscation of movable or immovable property except in accordance with law.

Forced labour and general confiscation of immovable property is entirely prohibited. The property of no one shall be expropriated except for the purpose of public utility in circumstances to be defined by law and on condition that equitable compensation is paid for it.

9. No taxation shall be imposed except by law and taxation shall be applied to all classes.

10. Islam shall be the religion of the State and there shall be insured to all dwellers in Trans-Jordan complete freedom of belief and freedom to practice forms of worship in accordance with their customs unless detrimental to public safety or order or contrary to morals.

11. All Trans-Jordanians shall be free to express and publish their opinions and to assemble together and to form and be members of association within the provisions of law.

12. The various communities shall have the right to establish and maintain their schools for the teaching of their own members in their own language provided that they conform to the general requirements prescribed by law.

13. The official language shall be Arabic.

Part II.

The Amirate and the Rights of the Amirate.

14. Subject to the provisions herein powers of legislation and administration are vested in Amir Abdullah Ibn Husain and his heirs after him.

The Heir-Apparent is the eldest male in the direct line of descent from the Amir and the Amir shall attain his majority upon the completion of his eighteenth year.

Should the Heir-Apparent succeed to the Amirate not having attained his majority, powers of legislation and administration shall be vested in a Council of Regency the form of which shall be determined by special law.

15. The Amir shall on accession swear an oath before the Legislative Council summoned in accordance with this law that he will safeguard the constitution and be loyal to the country and nation.

16. (1) The Amir is the head of the Government of Trans-Jordan. He sanctions and promulgates all laws and supervises their execution. He is not entitled to modify or suspend laws or to give dispensation in their execution.

(2) He issues orders for the holding of elections to the Legislative Council, convokes the Council, opens it, adjourns it, prorogues and dissolves it in accordance with the provisions of the law.

17. The Amir appoints the Chief Minister and dismisses him or accepts his resignation from office. Subject to the provisions of this law and any law enacted thereunder he appoints and dismisses all public officers.

18. There shall be for the purpose of advising the Amir an Executive Council consisting of the Chief Minister and other members not exceeding five in number who shall be appointed by the Amir on the recommendation of the Chief Minister either from among the principal officers of the administration or the elected representatives of the people.

The Executive Council is entrusted with the conduct of the affairs of Trans-Jordan.

It shall meet under the presidency of the Chief Minister to decide as to the measures which should be taken in matters appertaining to more than one Department and to investigate all important matters concerning a single Department. The Chief Minister will communicate to the Amir the decisions of the Council and will ascertain his wishes in regard thereto.

19. The Amir grants and withdraws military and police ranks, save in so far as by special law he has delegated this authority. He confers decorations and other honourable distinctions.

20. No death sentence shall be carried out except after confirmation by the Amir. Every such sentence shall be passed to him by the Executive Council with an expression of their opinion. The Amir may reduce sentences and remit them by special pardon.

21. The Amir will express his will by Irade. An Irade shall be issued on the recommendation of the responsible Head of a Department and with the concurrence of the Chief Minister both of whom shall sign the Irade.

Part III.

The Legislature.

22. The legislative power is vested in the Legislative Council with the Amir. The Legislative Council consists of :—

(*a*) Representatives elected in accordance with the Electoral Law.

(*b*) The Chief Minister and other members of the Executive Council not being elected representatives.

The duration of the Legislative Council shall be for three years.

23. The Legislative Council shall be opened by the Amir in person or by the Chief Minister authorized to make the Amir's speech.

24. No person shall be an elected member of the Legislative Council :—

(1) Who has lost his civil rights.

(2) Who is not a Trans-Jordanian.

(3) Who claims foreign nationality or foreign protection.

(4) Who has not completed his thirtieth year.

(5) Who has been adjudged bankrupt and has not been discharged.

(6) Who has been placed under interdiction by a competent Court and has not been released.

(7) Who has been sentenced to imprisonment for more than one year and has not received a free pardon for the crime for which he has been sentenced.

(8) Who has a material interest, personally or otherwise, in any contract with a public department of Trans-Jordan unless his interest arises through his being a shareholder in any association composed of more than ten persons.

(9) Who is mad or an idiot.

(10) Who is related to the Amir within such degrees of consanguinity as shall be prescribed by special law.

25. Subject to the provision for dissolution in Section 16 (2) the duration of the Legislative Council shall be for three ordinary sessions, one session each year beginning from the 1st of November following the election; and if the 1st of November be an official holiday, then from the day following.

26. The Amir shall summon the Legislative Council to assemble in the capital for the ordinary session on the 1st of November of each year, subject to the provisions of Section 25, and if not so summoned it shall assemble of its own accord in due course of law on the said date when its ordinary session shall begin and this shall extend for four months unless the Legislative Council be dissolved by the Amir before the expiration of that period or unless the session be prolonged by the Amir for the purpose of the despatch of business of urgent nature.

If the session be prolonged then the total period of the session shall not exceed six months.

The Legislative Council may adjourn from time to time in conformity with its Standing Orders.

The Legislative Council shall further adjourn if so required to do by the Amir not more than three times during any one session for stated periods, which shall not altogether exceed a total period of two months. In computing the period of the session the period covered by such further adjournments shall not be taken into account.

27. If the Legislative Council be dissolved a general election shall take place and the new Legislative Council shall assemble in Extraordinary Session not more than four months after the date of dissolution. In any event this session shall be prorogued on the 31st of October so that the first ordinary session of the Legislative Council may assemble at the beginning of November.

28. Every member of the Council shall before taking his seat take an oath in the presence of the Council to be loyal to the Amir and to uphold the public law and the service of the country and for the due performance of the duties entrusted to him.

29. The Legislative Council shall have power and authority, subject always to the treaty obligations of His Highness the Amir, to pass such laws as may be necessary for the peace, order and good government of Trans-Jordan.

30. Every proposal for a law shall be laid before the Council by the Chief Minister or by the Head of a Department. The annual budget shall likewise be laid in the form of a law before the Council.

31. No law shall take effect until the Amir shall have assented thereto and signed the same in token of such assent, and until it has been promulgated in the *Official Gazette*.

The Amir shall, within the space of one calendar year from the date on which it is submitted to him, either assent to the Bill or return it with a statement of reasons for dissent.

32. No law shall be promulgated unless a draft shall first have been made public for one calendar month at least before the enactment thereof unless immediate promulgation shall, in the judgment of the Amir in Executive Council in agreement with the accredited representative of His Britannic Majesty, be indispensably necessary in the public interest.

33. Any member of the Council may raise in the Council a question on any matter concerning the public administration.

34. If necessity should arise, when the Legislative Council is not sitting, for urgent measures to be taken for the maintenance of public order and security, or for repelling a public danger, or for urgent expenditure not sanctioned by the Budget or by special law, or for the purpose of securing the fulfilment of his treaty obligations, the Amir may, with the concurrence of the Executive Council, pass Ordinances directing the necessary measures to be taken.

Such Ordinances, which shall not contravene the provisions of this Organic Law, shall have the force of law. With the exception of those passed for the purpose of securing the fulfilment of the treaty obligations of His Highness the Amir, they shall be submitted to the Legislative Council at the beginning of its session.

If the Legislative Council shall not accept any such Ordinances so submitted the Government shall notify the cessation thereof and from the date of such notification the Ordinance shall cease to be in force.

Throughout this Organic Law the expression "law" or "laws" shall include an Ordinance or Ordinances passed by virtue of the provisions of this Section unless there is anything in the text of this Organic Law repugnant thereto.

Part IV.

The Judicature.

35. Civil and Shari' Judges shall be appointed by Irade and shall be irremovable except as provided by the provisions of a special law dealing with their qualifications, appointment, grades, and the manner of their conduct.

36. The Courts shall be divided into three classes:—

(1) Civil Courts.
(2) Religious Courts.
(3) Special Courts.

37. Subject to the provisions of this Organic Law the constitution, place of sitting, grades and divisions of all Courts and their jurisdiction and administration shall be determined by special laws.

38. All Courts shall be free from interference.

39. All trials shall be public except where, for reasons to be prescribed by Law, Courts may sit *in camera*.

It shall be lawful to publish the proceedings and judgments of Courts, except proceedings *in camera*.

All judgments shall be issued in the name of the Amir.

40. The Civil Courts shall have jurisdiction over all persons in Trans-Jordan in all matters civil and criminal including cases of claims by and against the Trans-Jordan Government, except in such matters which by the provisions of this Organic Law or of any law for the time being in force shall be assigned to the jurisdiction of the Religious Courts or Special Courts.

41. (1) The civil and criminal jurisdiction of the Civil Courts shall be exercised in accordance with the law for the time being in force.

Provided that, in matters regarding the personal status of foreigners or in other matters of a civil and commercial nature in which it is customary by international usage to apply the law of another country such law shall be applied in a manner to be prescribed by law.

(2) For the purpose of Part IV of this Organic Law the expression "foreigner" means any person who is a national or subject of a European or American State or of Japan, but shall not include:—

(i) Native inhabitants of a territory protected by, or administered under a Mandate granted to a European State.
(ii) Ottoman subjects.
(iii) Persons who have lost Ottoman nationality and have not acquired any other nationality.

The term "subject" or "national" shall include corporations instituted under the law of a foreign State, and religious or charitable bodies or institutions wholly or mainly composed of the subjects or citizens of such a State.

42. The Religious Courts shall be divided into—

(*a*) Moslem Courts.
(*b*) Religious Community Councils.

43. The Moslem Courts shall have exclusive jurisdiction in matters of the personal status of Moslems and matters connected with the constitution and administration of their Waqfs.

Where a matter of personal status concerns both Moslems and non-Moslems, the Civil Courts shall have jurisdiction unless all parties consent to the jurisdiction of the Moslem Courts.

The Moslem Courts shall also have jurisdiction in applications for *diyet* where all the parties are Moslems or where all the parties consent to the jurisdiction of the said Courts.

For the purpose of this Organic Law matters of personal status mean suits regarding marriage or divorce, alimony, maintenance, guardianship, legitimation and adoption of minors, inhibition from dealing with property of persons who are legally incompetent, successions, wills and legacies and the administration of the property of absent persons.

44. The jurisdiction of the Moslem Courts shall be exercised in conformity with the principles of Shari'a Law.

45. The Religious Community Councils shall comprise such Councils of religious Communities, not Moslem, as shall be established and invested with judicial power under the authority of special laws.

46. The Religious Community Councils shall have

(i) Exclusive jurisdiction in matters of marriage, dowry, divorce, maintenance between husband and wife, and the attestation of wills so far as concerns the members of their communities other than foreigners, except in regard to those matters which come within the jurisdiction of the Civil Courts.
(ii) Jurisdiction in any other matters of personal status concerning members of the communities if all parties concerned agree.
(iii) Exclusive jurisdiction in matters connected with the constitution and administration of Waqfs for the benefit of members of their communities.

47. The procedure to be followed and the fees to be levied by the Religious Community Councils shall be determined by special law. A special law shall also regulate inheritance, testamentary procedure and such matters of personal status as lie outside the exclusive jurisdiction of the said Councils.

Part V.

Administration.

48. The manner of the appointment and dismissal of all public officers and the administrative divisions of Trans-Jordan, their classes and names and the manner of their administration and the jurisdiction of their officers and their nomenclature shall be prescribed by law.

49. The municipal affairs of the cities and towns of Trans-Jordan shall be administered through Municipal Councils in accordance with a special law.

Part VI.

Validation of Laws and Judgments.

50. Except in so far as they may have been amended or repealed by the proclamations, rules and laws mentioned in the succeeding Articles the Ottoman Laws promulgated on or before the 1st of November, 1914, and the laws which were promulgated after that date and declared by Public Notice to be in force and have remained in force up to the date of this law shall remain in force, as far as circumstances permit, until the legislative authority established by this Organic Law shall repeal or alter them.

51. All Legislative acts done by the constituted authority in Trans-Jordan since the 23rd day of September, 1916, shall be deemed to be and always to have

been valid and of full effect until repealed or superseded by the legislature established under this Organic Law and all prohibitions contained therein shall be deemed to be valid.

52. All acts referred to in the two preceding Articles shall be presumed to have been done or directed to have been done in good faith unless proof to the contrary is brought by the party complaining, and any action or other legal proceedings against any person in respect of such acts shall be discharged and become null and void unless the party complaining shall bring proof as aforesaid.

PART VII.

General.

53. The organization and the financial and other administration of the affairs of the Moslem Waqfs shall be prescribed by special law. The Department of Waqfs shall be considered to be one of the Departments of Government.

54. No tax shall be imposed except by law provided that this shall not apply to income which may be received by Government Departments in return for public services, or for the enjoyment of Government property.

55. All receipts from taxes shall be paid into the Public Treasury unless the law otherwise provides.

56. No part of the fund in the Public Treasury shall be appropriated for pay, compensation or other expenditure except by law and nothing shall be expended out of such appropriations except in manner provided by law.

57. The appropriations for each year shall be sanctioned by an annual law which shall include therein the estimates of revenue and expenditure for that year.

58. The Civil List of the Amir shall be a charge on the revenues and shall be sanctioned in the said annual law.

59. (1) All rights in or in relation to any public lands shall vest in and may be exercised by the Amir in trust for the Trans-Jordan Government.

(2) All mines and minerals of every kind and description whatsoever being in, under or on any land or water whether river or inland sea shall vest in the Amir subject to any right subsisting at the date of this Organic Law of any person to work such mines or minerals by virtue of a valid concession.

60. The Amir in Executive Council may make grants or leases of any such public lands or mines or minerals or may permit such lands to be temporarily occupied on such terms or conditions as he may think fit subject to the provisions of this Organic Law;

Provided that no such grant, lease or other disposition shall be made otherwise than in conformity with law.

61. In the event of disturbances occurring, or should there be indications of anything of that nature in any part of Trans-Jordan, or in the event of danger of hostile attack on any part of Trans-Jordan, the Amir, with the concurrence of the Executive Council, shall have power to proclaim martial law as a temporary measure in all such parts of Trans-Jordan as may be affected by such disturbances or attack.

The ordinary law of the State may be temporarily suspended in such district or districts as may be named and to such an extent as may be specified in any such proclamation, provided that all persons shall be and remain legally liable in respect of all acts done by them in pursuance of such proclamation unless and until they shall have been indemnified by special law passed for that purpose.

The method of administration of districts proclaimed to be under martial law shall be proclaimed by Irade.

62. The Amir may by Proclamation at any time within two years from the date of the commencement of this Organic Law, and subject to his treaty obligations, vary, annul, or add to any of the provisions of this Organic Law in order to carry out the purposes of the same, and may provide for any other matters necessary in order to carry into effect the provisions thereof.

63. After such period of two years and subject always to the treaty obligations of His Highness the Amir, no change may be made in this Organic Law except by a law passed by a majority of not less than two-thirds of the members of the Legislative Council.

64. This Organic Law shall enter into force from the date at which the Amir assents thereto.

Mr A. J. Harding
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Printed for the use of the Colonial Office.

Middle East,
No. 10.

Report

BY

Sir Gilbert Clayton, K.C.M.G., K.B.E., C.B.

ON HIS

Mission to the Imam of San'a

COLONIAL OFFICE,
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Report by Sir Gilbert Clayton, K.C.M.G., K.B.E., C.B., on his Mission to the Imam of San'a.

C.8874/26.

No. 1.

Sir Gilbert Clayton, K.C.M.G., &c., to the Secretary of State for the Colonies.

London,
6th April, 1926.

SIR,

I have the honour to submit this my report on my Mission to the Imam Yahya of the Yemen at San'a.

Introductory.

2. Having satisfactorily concluded my conversations with King Faisal and the 'Iraq Government on the subject of the Agreement* concluded with Sultan 'Abdu'l-'Aziz ibn Sa'ud with regard to frontier questions between 'Iraq and Nejd, I left Baghdad by rail on the 4th December, 1925, arriving at Basra the next morning and embarking on the same day on the British India Company's s.s. " Varela " for Bombay. I was accompanied by Mr. George Antonius, for whose appointment as Secretary to the Mission your approval and the concurrence of the High Commissioner for Palestine had been received.

Arrival in Bombay.

3. We reached Bombay on the 12th December, and I immediately visited the Political Secretary to the Government of Bombay—Mr. J. E. B. Hotson, C.S.I., O.B.E., who kindly placed his official records on the subject of the Aden Protectorate at my complete disposal. I also had the advantage of an interview with the Governor of Bombay, the Right Honourable Sir Leslie Wilson, G.C.I.E.

Delay in India.

4. I had taken the opportunity afforded by the steamer calling at Karachi to send a telegram from that place to the Resident at Aden, asking him to inform me by telegraph to Bombay of the progress of preparations for the journey of the Mission to San'a and of the date on which it would be required to leave Aden. On arrival at Bombay I received a reply to the effect that no answer had yet been received from the Imam on the subject of the proposed mission and that, in consequence, preparations for the journey could not yet be completed. I had intended leaving Bombay on the 19th December and arriving at Aden on the 23rd December, but on receipt of the information contained in the Resident's telegram I decided to postpone my departure from Bombay for another week. I did not wish to find myself delayed indefinitely at Aden pending the arrival of a communication from the Imam, thereby giving colour to pos-

*Cmd. 2566.

sible suggestions that I was awaiting his pleasure. Moreover, I found that the Government of Bombay were concerned only with administrative matters in respect to Aden and that to inform myself as to the political aspect of the question I must go to the Government of India at Delhi, which the extra week in India enabled me to do. Accordingly, after reading up all the relevant information available in the Political Office of the Government of Bombay, I proceeded to Delhi with Mr. G. Antonius, arriving there on the evening of the 17th December.

Visit to Delhi.

5. At Delhi I had the advantage of conversations with Sir Denys Bray, K.C.I.E., Foreign Secretary to the Government of India, and Lieut.-General Sir Andrew Skeen, K.C.I.E., Chief of the Staff, and was furnished with copies of official correspondence by means of which I was able to bring up to date my knowledge of the subject with which I had to deal.

Departure from Bombay.

6. I reached Bombay again on the 24th December and sailed for Aden in the P. & O. s.s. " Razmak " on the 26th December, accompanied by Mr. G. Antonius and by Mr. R. V. Kaikini, whose services as clerk and stenographer to the Mission I had been enabled to obtain by the kind assistance of the authorities in Bombay.

Arrival at Aden.

7. My arrival at Aden on the 30th December was well timed, as on the same day a letter was received by the Resident from the Imam Yahya consenting in cordial terms to receive the Mission and stating that all necessary arrangements for its journey would be made as soon as the date of its arrival at Hodeida was notified to San'a.

Route to San'a.

8. The Resident had suggested to the Imam that the Mission should proceed by the land route, through the Protectorate and via Mawia, Ibb, Yarim and Dhamar, but the Imam having expressed a decided preference for the route from Hodeida to San'a I naturally fell in with his wishes without demur.

Arrangements for journey to San'a.

9. After discussion with the Resident, and allowing sufficient time for the notification to reach San'a and for the subsequent completion of the Imam's arrangements, the 17th January was fixed for the arrival of the Mission at Hodeida and a message to that effect was despatched to the Imam Yahya. The R.I.M.S. " Cornwallis " was normally due to start from Aden on the 12th January on her monthly visit to Perim, Kamaran and the lighthouses in the Red Sea, calling at Hodeida on the morning of the 17th January. It was therefore settled that she should also carry the Mission, an arrangement which enabled me to visit Perim and Kamaran and to arrive at Hodeida on the appointed day.

Stay in Aden and Visit to Lahej.

10. The intervening days were fully occupied in a careful study of the records in the Residency Office at Aden and in comprehensive discussions with the Resident, Major-General J. H. K. Stewart, C.B., D.S.O., who had communicated to me on my arrival the instructions contained in your telegram to him of the 24th December, 1925,* and your despatch of the 4th September, 1924.† I was also given the opportunity of visiting Sir Abdul-Karim ibn Fadhl, K.C.I.E., Sultan of the Abdali at Lahej, where I also met Nasr ibn Shaif Saif, the Amir of Dhala, whose territories though lying within the limits of the Protectorate had been occupied and taken under direct administration by the Imam.

Departure from Aden, and Composition of Mission.

11. The Mission sailed from Aden in R.I.M.S. " Cornwallis " on the evening of the 12th January, as arranged, and consisted of the following persons:—

Sir Gilbert Clayton, Head of the Mission.
Mr. George Antonius, Secretary to the Mission.
Lieut.-Colonel M. C. Lake, I.A., Adviser on Local Affairs.
Lieut.-Colonel M. S. Irani, I.M.S., Medical Officer.
Mr. R. V. Kaikini, Clerk and Stenographer;
Sheikh Muhammad Salim (lent by the Aden Residency), Interpreter;
Sheikh Yislam Ba-Ruwais, Transport Officer; and
four servants and orderlies.

Kamaran.

12. After calling at Perim we arrived on the 14th January at Kamaran, where I remained till the 16th January while the " Cornwallis " was visiting the light-houses at Jebel Tier, Centre Peak and Abu Ail. This arrangement afforded me an opportunity of visiting the Quarantine Station and harbour and of making a tour round the Island. H.M.S. " Endeavour " (Commander Geary Hill, R.N.) was at anchor in the harbour in connection with hydrographical survey work at Kamaran and in the vicinity.

Arrival at Hodeida.

13. We left Kamaran at 5 p.m. on the 16th January and arrived at Hodeida at 7 a.m. on the 17th January. The British Political Clerk, Hasan Kanjuni, came on board to meet me and was followed by representatives of the Kaid (Military Commander) of the district and of the 'Amil (Local Governor) of Hodeida. On disembarking I proceeded to the house which serves as Office of the Political Clerk and then paid a formal call at the local Government Office, where the Mission was received very cordially by the Kaid and the 'Amil.

Journey to San'a.

14. The transport animals and an escort of an officer and 44 N.C.O's and men of the Yemen Army being in readiness, our baggage and servants were sent off to Bajil (the first stage on

* Annexure 1. † Annexure 2.

the journey) on that same evening and on the following afternoon the Mission proceeded to the same place by motor-car. From Bajil we proceeded on mule-back, making the journey in five stages and arriving at San'a shortly before midday on the 24th January. Throughout the journey we were well received and every effort was made for our comfort by the Imam's officials; indeed, at the towns and larger villages, especially at Menakha and when nearing San'a, our welcome assumed an official aspect, guards of honour were provided and a certain amount of ceremony observed.

Arrival at San'a.

15. About five or six miles from San'a we were met by an escort of some fifty Imamic cavalry and by a pair-horse carriage which had been sent especially for my use by the Imam, and outside the gate of the city a guard of honour, of a battalion of Imamic infantry, was drawn up and paid the usual compliments. We then entered the city and, accompanied by a large throng of all classes of the population, proceeded to a commodious stone-built house in the Bir el-'Azab (the residential quarter), which had been prepared for our accommodation.

Official Welcome at San'a.

16. About half-an-hour after my arrival I received a visit from four of the Imam's principal officers:—

Sayyid Abdullah ibn Ibrahim, Principal of the Theological College.

Sayyid Ahmad al-Kibsi, Amil of Bilad er Rus.

Raghib Bey, 2nd Secretary and Chamberlain to the Imam, and

Qadi Abdul-Karim, 3rd Secretary to the Imam,

who had been sent by the Imam to convey an official welcome to the Mission; and through them I sent suitable messages and thanks to His Highness.

Official Meeting with the Imam.

17. As the Imam had intimated his desire to receive me with some degree of ceremony, for which a certain amount of preparation was necessary, it was arranged that I should defer my visit until the 26th January. At 9 a.m. on that day, therefore, I proceeded by motor-car to the Palace, where I was received by a guard of honour, the street leading to the Palace being lined on either side by troops. The meeting was purely formal and, after the presentations had taken place, I read my letter of appointment in English, which was then translated into Arabic. The Imam caused a reply to be read by his Chamberlain and, after a few minutes' general conversation, withdrew to his private apartments.

Basis of Discussion.

18. After studying the history of the negotiations with the Imam Yahya, as recorded in the correspondence with which I was furnished by the Government of India and by the Resident, Aden, I had formed the opinion that the task which I had before

me involved considerably more than the mere "clearing up of a few outstanding points" envisaged in Foreign Office telegram No. 279 of the 18th November* to Lord Lloyd, Cairo, for Sir G. Clayton. A careful perusal of the Imam's letters in the original Arabic by Mr. G. Antonius gave the impression that, far from agreeing to the principle set forth in Article 3 of the Draft of August, 1924,† as suggested in the Resident's telegram No. 48 of the 10th January, 1925,‡ he intended to press for a recognition of the rights which he claims, on historical grounds, to suzerainty over the tribes inhabiting the present Protectorate of Aden and to maintain the hold which he has established over certain districts on the Aden side of the boundary.

Moreover, the situation had altered materially since August, 1924. When the Draft of August, 1924, was drawn up, and during the whole course of the negotiations which led up to it, a prominent factor in the situation was the proposal to induce the Idrisi, by means of persuasion and a grant of money, to relinquish Hodeida, which was then to be handed over to the Imam as a *quid pro quo* for his recognition of the Protectorate boundary and his withdrawal from the districts which he had occupied in the Aden Protectorate. Further, in the early stages of the negotiations the Imam's representative at Aden had been given to understand that His Majesty's Government were prepared to consider the grant of a subsidy to the Imam. The situation has now been radically changed by the occupation of Hodeida by the Imam without British intervention or assistance; by the decline of the Idrisi's power, which is not at present so serious a menace to the Imam; and by the decision of His Majesty's Government to the effect that the grant of a subsidy can no longer be considered.

I therefore found myself in the position, in the light of the instructions contained in your telegram of the 24th December, 1925,§ of having to face the Imam with what amounts to an ultimatum in regard to the question of the Protectorate boundary, without being able to offer any compensating advantage which would incline him to accept a proposal to which he is strongly opposed as being a renunciation of what he considers his rightful claims and also a serious blow to his personal prestige.

With these considerations in mind I formed the opinion that it would only be possible to secure the Imam's signature to the Draft Treaty by persuading him that it was in his best interests and those of his country to secure the permanent friendship of Great Britain, even at the price of certain sacrifices, and by emphasising, in general terms, the regrettable situation which would arise if he refused to meet His Majesty's Government on a point of principle which they were determined to maintain.

Preliminary Discussions with the Imam.

19. My first two discussions with the Imam, which were held on the 28th and 30th of January, confirmed the accuracy of the appreciation of the situation which I had previously formed. He gave no sign of relinquishing his attitude, and it was only at the conclusion of the second meeting that he agreed to send repre-

* Annexure 3. † Annexure 2. ‡ Annexure 4. § Annexure 1.

sentatives to discuss the question in greater detail with my representative, Mr. G. Antonius, in the hope that some way might be found of adjusting our conflicting points of view.

Discussions between the Imam's representatives and Mr. G. Antonius.

20. Conversations lasting for nearly a week then took place between Mr. G. Antonius on my part and Sayyid Abdullah ibn Ibrahim and Qadi Abdullah el 'Amri on behalf of the Imam, but little progress was made. The Imam's representatives were either unwilling or afraid to advance from the position which the Imam himself had taken up at the earlier meetings, and it was only after lengthy discussion that they eventually submitted, informally and subject to the Imam's approval, a counter-draft* of Article 3, which I was totally unable to accept either in principle or in detail. Having been informed to this effect, they retired and, after an interval of three days' consideration, they returned on the 6th February with a complete counter-draft† of the treaty which, as will be seen, is so entirely in conflict with the principles on which the Draft of August, 1924, is based as to be impossible of acceptance and hardly susceptible even of discussion.

Knowing something of the methods and mentality of Arab diplomatists and making full allowance for the peculiarly remote and secluded conditions in which these particular persons have been born and bred, I had been reluctant to hurry matters and anxious to give full scope for the development of the arguments which the Imam wished to put forward.

A fortnight had now elapsed, however, during which lengthy discussion had produced no result beyond the presentation by the Imam's representatives of an entirely unacceptable counter-draft, the terms of which showed no advance whatever on the part of the Imam towards meeting the requirements of His Majesty's Government. I decided, therefore, that the time had come when it was necessary for me to place the issues clearly before the Imam himself and face him with the necessity of giving me a definite answer on the main question of principle on which alone the proposed treaty could be based.

Discussions with the Imam.

21. I, accordingly, requested an interview with the Imam at which I laid the main issue clearly before him, pointing out that no agreement was possible unless it was based on his recognition of the Protectorate Treaties and the boundary as demarcated in 1903, 1904 and 1905, and on his undertaking to withdraw from districts which he had occupied on the Aden side of that boundary. If he found himself unable to accept these premises no agreement was possible, and the only course open to me was to take my departure at once and return to London to report to my Government. I added that failure to reach an agreement now would be most regrettable, as it would aggravate an already sufficiently unsatisfactory situation and must

* Annexure 5. † Annexure 6.

postpone indefinitely the promotion of those friendly relations which were sincerely desired by His Majesty's Government and which—I ventured to think—were in the best interests of the Yemen. I urged the Imam, therefore, to reflect very carefully before letting pass a chance, which might not recur for a long time, of laying the foundation of permanent amity and co-operation with a Power which was his immediate neighbour and which was bound by vital interests to maintain a position of predominance on its main line of Imperial communications.

The Imam appeared impressed but still insisted that, though he sincerely desired agreement with Great Britain and was fully sensible of the advantage to the Yemen of her friendship and co-operation, he was quite unable to sign any treaty which might be interpreted as a final and definite surrender of rights which had been maintained by his country for over 1,000 years. He begged me earnestly, however, before breaking off negotiations finally, to reconsider the question very carefully and see whether I could not find a formula which would help him to overcome a difficulty which at present appeared insuperable.

22. I was now convinced that there was no chance of obtaining the Imam's signature to an agreement unless I was prepared to modify the terms of the Draft of August, 1924. Apart from his own feelings in the matter, he was obviously afraid of public opinion and unable to face any diminution of the personal prestige on which his authority is based.

I was therefore faced with the responsibility of choosing one of two possible alternatives. I might act on the strict letter of my instructions and break off negotiations, thereby closing the door to further discussion and producing a situation which could only be dealt with by forcible measures and which must almost certainly develop into one of passive, if not active, hostility along the whole boundary of the Aden Protectorate. On the other hand, I might, by modifying the draft to suit the existing circumstances and deferring the Imam's claims for future discussion and settlement, without prejudice to the standpoint of either party, secure the Imam's signature to an Agreement which would follow, in other respects, the lines of the Draft of August, 1924, and would, for the period of that Agreement, secure the interests which His Majesty's Government were determined to maintain.

After a careful review of the situation in all its aspects I had no hesitation in taking the responsibility of adopting the latter course, and some of the considerations which influenced me in taking that decision are developed in fuller detail in a memorandum which I am submitting under separate cover.

23. On the following day, therefore, I sought another interview with the Imam, and Mr. Antonius read to him a provisional draft* of a Preamble and certain Articles of a suggested Agreement, making it quite clear that, subject to modification on minor points, I had advanced as far as possible in the direction of meeting his point of view and that it was now for him to decide

* Annexure 7.

whether, or not, an agreement was possible. The Imam seemed to think that he might find himself able to accept these proposals, but asked if he might have twenty-four hours in which to think them over. I therefore left the provisional draft with him on the understanding that he would give me his reply on the following day.

24. On the 11th February I again visited the Imam and asked him for a reply on the subject of the provisional draft which I had submitted to him on the previous day. His Highness replied that he had considered it and that, in view of his sincere desire to come to an agreement, he was prepared to accept the draft with a few verbal alterations, but that he would greatly prefer that the Article dealing with his withdrawal from occupied districts in the Aden Protectorate should not appear in the treaty but should be made the subject of an exchange of letters. As the Article in question does not appear in the Draft of August, 1924, I saw no objection to acceding to this request.

25. The Imam then said that there was one point on which he found himself absolutely unable to give way. He could not possibly agree to withdraw from the district of Dhala and those other districts where his regular administration had been in existence for some years, was now fully established and had resulted in a state of good order and security hitherto unknown to the population. I replied deeply regretting a decision which was in direct opposition to my instructions from His Majesty's Government and which would, I feared, render the conclusion of a treaty impossible. The Imam, however, maintained his attitude firmly, though he showed considerable concern and urged me to see whether I could not suggest some way out of the difficulty.

I was very reluctant to break off negotiations there and then, and so nullify all the progress which had been made up to date; moreover, I wished to see how far the Imam was prepared to meet me on all other points. I therefore informed His Highness that I would discuss this specific question with him finally at a later date provided we could in the meantime come to an agreement in regard to a complete draft of a treaty. The Imam concurred and agreed to send his representatives at once with a view to completing discussions on the various Articles of the Draft of August, 1924.

26. After lengthy discussion lasting for three days, Mr. Antonius succeeded in obtaining the agreement of the Imam's representatives to a draft of the treaty which was substantially in accordance with the Draft of August, 1924, with the exception of some five or six points on which agreement was not arrived at and which were therefore reserved for discussion between the Imam and myself.

I then saw the Imam again and succeeded in reaching agreement in all but three important points, which were his recognition of the Protectorate Treaties, the definition of the frontier and the language in which the treaty was to be concluded. On the first two points the Imam was most persistent and produced

various formulæ in an endeavour to meet my point of view, while avoiding definite recognition of the Protectorate Treaties and of the Anglo-Turkish Boundary Agreement, instruments to which he maintained that he had never been a party. In regard to the question of the language, he insisted that it must be Arabic and was quite firm in refusing to put his name to any document which was not in a language which he was able to understand. I met the third point by agreeing that the Treaty should be drawn up in English and in Arabic, each party signing in his own language, but the interview came to an end without any definite settlement having been arrived at in regard to the first two points.

27. On that same evening, however, the Imam sent me a complete draft* of the treaty purporting to embody the results of all our discussions up to date, with a message to the effect that he hoped that agreement had now been reached. On studying this draft I found to my surprise and disappointment that no notice had been taken of the various points on which agreement had been reached and that the draft, far from being based on that of August, 1924, differed very little from his first draft, which I had already stated was entirely unacceptable. We were, therefore, back again at our starting point, and I realised that the time had now come when I must consider seriously refusing further discussion and breaking off negotiations.

28. I was still reluctant, however, to break off negotiations until no other possible course was open; so I determined to see the Imam again and to resume discussion at the point which we had reached at our last interview, ignoring altogether the last draft which he had submitted unless he himself alluded to it, in which case I would inform him that it was entirely unacceptable and that I could not even discuss it. This course of action proved successful and a very lengthy discussion took place on the wording of Article 4 of my draft,† during the course of which I took the opportunity of telling His Highness quite frankly that, though prepared to defer his claims for future discussion without prejudice to the point of view of either party, I was quite unable to admit into the treaty any clause which would question or weaken the present position of Great Britain in the Aden Protectorate. Eventually, we reached a stage towards agreement which put me in a position to say that I would now put forward to the Imam a final draft of the treaty, which would represent my last word and which must either be rejected or accepted without alteration or amendment.

29. Accordingly on the 16th February, I submitted a complete draft‡ to His Highness under cover of a letter in which I made it clear that I deprecated further discussion and begged him to inform me as soon as possible whether or not he was prepared to accept the draft. The Imam replied on the same day by a letter in which he still urged reconsideration, without specifying any particular points, but as I had already discussed with him fully the wording of those articles which embodied questions of

* Annexure 8. † Annexure 6. ‡ Annexure 9.

principle and had gone as far as I considered possible towards meeting his objections, I did not hold out any hope of altering a text which had been decided upon after full consideration of all the arguments.

30. At our next meeting, on the 18th February, we discussed my draft* of the 16th February at great length and the Imam made a number of requests for amendment, raising several points which had never been mentioned at any previous conversation, either with him or with his advisers. I was aware, however, that on the previous day he had submitted my draft to a large meeting of notables and had been somewhat severely criticised in various quarters, so I realised that many of the points raised did not originate with the Imam himself.

31. As a result of this conversation I agreed to see what alterations, if any, I could make in my draft with a view to meeting the difficulties which I knew that His Majesty was encountering from some of his advisers and from an extremist but influential section of his people, and to submit them to him unofficially and without committing either party to their adoption.

32. At the same time I reminded the Imam that the crucial question of his evacuation of Protectorate territory still remained to be settled. He had informed me definitely that he was unable to consider the evacuation of any of those territories in which he had established a regular administration, but he had given me to understand that this refusal did not include districts which he was only occupying in a military manner in order to defend himself from alleged aggression by the tribesmen. Before we could profitably discuss this question or I could seek any way of surmounting the difficulty which he had raised I must have a definite statement from him of the districts in which he held that he had established a regular administration. I therefore asked him for a detailed list of those districts.

33. On that same evening I submitted, unofficially and unaccompanied by any covering letter, certain suggestions† for amendment of the draft with a view to ascertaining finally whether the Imam was really disposed to meet me on ground which promised any possibility of agreement.

34. On the 20th February I saw the Imam again and asked him whether he considered that my suggestions afforded a possible solution in regard to the question of the treaty. I was once more met with further requests for amendment on minor points but agreement was reached on all the clauses in which questions of importance were involved.

I therefore turned to the question of evacuation of those territories of which he was in occupation and which lay within the borders of the Protectorate. I informed him that His Majesty's Government had instructed me to make it quite clear that his evacuation of those districts was a necessary corollary to the treaty and that I could not, therefore, admit his point of view or allow anything to be inserted in the treaty which could in any way weaken the position

* Annexure 9. † Annexure 10.

of His Majesty's Government in regard to this question. I had agreed to defer the general settlement of his claims for the duration of the treaty, but I could not agree to prejudice the British claim in regard to that settlement by admitting in any way whatsoever a position which His Highness had obtained by force and in the face of constant protest by His Majesty's Government. The most that I could do was to report this difficulty to His Majesty's Government and to make the whole treaty subject to their ratification, thus leaving open the door for a possible removal by friendly arrangement of what was at present a bar to the conclusion of a treaty. I was only able to do this, however, if His Highness was prepared to meet me on all other points and also to give proof of a spirit of accommodation in regard to the question of evacuation. I had studied his list of those territories regarding which he maintained that evacuation was impossible, and it contained a number of districts which I was unable to admit as falling within the category of districts in which he had established a regular administration. I quoted particularly the Radfan tribes (which include the Kutaibi, the Ahl Murra, the Mahalai, the Hajaili, the Dairi and the Bakri), the Alawi and also the Subeihi country in which he had encroached on various villages which lay on the Aden side of the frontier. The Imam maintained that he could not evacuate any portions of those tribal districts of which he was now in occupation, and he laid a special stress on the villages of the Subaihi district, in reference to which he stated that he could not recognise the frontier in any cases where that frontier included within the Protectorate villages or districts which he held to be under his jurisdiction. In other words, he endeavoured once more to substitute for the demarcated frontier which he had already implicitly accepted a tribal boundary defined—to use his own words—as "the well-known boundary recognised by tribal usage between the Subeihi tribes and our own province of Mokha."

35. I had now gone as far as was possible towards meeting the Imam's point of view, and from his whole attitude during the course of this interview I saw that he was still trying to evade recognition of the demarcated frontier. He had, throughout, endeavoured to secure my agreement to a vague boundary based on tribal areas in place of the frontier demarcated in 1903, 1904 and 1905, but I had as consistently opposed any such suggestion as being contrary to my instructions and unsatisfactory in practice.

Break-off of Negotiations.

36. I now realised that further discussion would only confuse the main issues, and I informed His Highness that, much to my regret, I had come to the conclusion that agreement was impossible without one party or the other giving way on questions of principle which they were determined to maintain. I was therefore forced to the decision to break off our conversations and return to London to report to my Government. The Imam accepted this statement without any attempt to dissuade me from my decision, from which I gathered that he shared my opinion. He expressed deep regret at our inability to reach an understand-

ing, but hoped that I should realise his position and explain his point of view fully to His Majesty's Government. He empha sised his desire to come to a friendly understanding with His Majesty's Government and expressed the hope that our failure to reach an agreement now would not prevent the desired object from being attained in the future. I replied that our meeting had at least resulted in a frank interchange of views which would serve to clarify the situation and prevent future misconception, and took my leave in an atmosphere of protestations of mutual friendship and regard.

Departure from San'a and Return to Aden.

37. On the following day I paid my farewell visit to the Imam, which was marked by a considerable amount of ceremony and every indication of a desire to pay all possible honour to a representative of His Majesty's Government. The street leading to the palace was lined on either side by troops with bands and colours, and inside the gates a guard of honour was drawn up. The Imam was exceedingly friendly and reiterated his desire for friendly relations with Great Britain, expressing the hope that the explanations which I was now in a position to give to His Majesty's Government would lead to eventual agreement. I assured His Highness that, while unable to say what attitude His Majesty's Government would take up, I should not fail to put his point of view before them; at the same time, I urged him to refrain from further encroachment and, if possible, to withdraw at least from those districts in which he had not established a regular administration, as I was convinced that proof of a conciliatory disposition on his part would tend to relieve the situation which had been produced by our failure to come to an agreement.

38. On the afternoon of the 21st February the Mission left San'a and returned to Aden by the land route via Dhamar, Ibb and Mawia. The Imam furnished an escort of eight mounted men and twenty-five infantry, who accompanied us as far as the frontier of the Protectorate, where we were met by a detachment of the Aden troop under the command of Major T. M. Carpendale. The Mission reached Aden on the afternoon of the 3rd March.

39. Throughout the return journey the Mission was received with even more respect and consideration than on the march from Hodeida to San'a. At every town—indeed at nearly every village—we were met by guards of honour, parades of troops and large crowds of the local population. It was evident that the Imam had issued special orders to the effect that every possible honour should be paid to us, and I was informed on several occasions that no foreigner had ever been given such a reception in the Yaman.

40. I remained in Aden for a week, which was occupied in liquidating the affairs of the Mission and in explaining fully the situation to the Resident, and embarked on the 10th March in the P. & O. s.s. " Maloja " for Marseilles, arriving in London on the evening of Saturday, the 20th March.

Staff.

41. I take this opportunity of recording my appreciation of the services rendered by all the members of the Mission. The journey to and from San'a was at times difficult and arduous and residence in the Yemen is accompanied by a considerable amount of discomfort, apart from the enforced seclusion which rendered any form of recreation, and even an adequate measure of exercise, impossible; but the staff showed at all times a willing and uncomplaining spirit.

Lieut.-Colonel M. C. Lake took careful notes throughout the journey and in due course will render a report which should furnish useful information regarding the country and roads over which the Mission travelled.

Lieut.-Colonel M. S. Irani, I.M.S., proved that a medical officer was essential. Practically every member of the Mission required his services at one time or another, and throughout the journey, as also at San'a, he was besieged by applications for medical assistance and treatment from the local population, including the Imam himself and his family.

A warm tribute is again due to Mr. G. Antonius, whose cooperation and knowledge were invaluable and whose services are deserving of some special mark of recognition by His Majesty's Government.

The junior members of the staff, especially Mr. R. V. Kaikini, stenographer and confidential clerk, carried out their duties to my entire satisfaction.

The Authorities at Aden.

42. Finally, I desire to express my thanks to Major-General J. H. K. Stewart, C.B., D.S.O., the Resident at Aden, and to Major B. R. Reilly, C.I.E., First Assistant Resident, for the advice and assistance which they ungrudgingly gave to me at all times, and for the generous hospitality extended to the Mission during its stay in Aden.

General Observations.

43. I regret that I have been unsuccessful in attaining the main object of my mission, but I feel that, bearing in mind the change which has taken place in the situation since the Draft Treaty of August, 1924, was drawn up, it was impossible to negotiate any treaty strictly on those lines. I strained my instructions to the limit in an endeavour to reach agreement—indeed, I may perhaps be held to have gone too far—and, although the Imam's refusal to meet the wishes of His Majesty's Government in regard to the evacuation of those districts in the Aden Protectorate of which he is now in occupation, rendered it impossible for me to reach any definite conclusion, I venture to think that my discussions with him have not been entirely fruitless. Personal contact has been established for the first time and the Imam's views and aspirations, which no amount of correspondence could have disclosed, have now been ascertained. Moreover, the result of my conversations with him in regard to the text of a treaty indicates the lines on which alone he is likely to conclude a formal agreement.

44. It is clear that the Imam is determined to maintain two definite points of principle, namely, he will not put his name to any document which he considers can be interpreted as a renunciation of any of what he terms "his historical claims to suzerainty over the whole of the Yemen," including the Aden Protectorate and the Hadramaut; he will not accept any clause which may be taken as in any way infringing his complete independence and liberty of action.

45. I do not consider, however, that either of these two points of principle need necessarily present an insuperable obstacle to the conclusion of a treaty in the future, and the lines on which the provisional draft,* to which he implicitly agreed, is framed, are an indication of the manner in which the difficulty might be surmounted.

46. A more serious complication is caused by the Imam's definite refusal to withdraw from the Aden Protectorate. If he is allowed to remain undisturbed in territory which he has occupied in the face of British protests, he will be convinced of the efficacy of a policy of gradual encroachment and will doubtless continue to follow it; the reactionary and anti-foreign party in the Yemen will gain strength; the Imam and his people will lose a large measure of respect for Great Britain; British prestige in the Aden hinterland and throughout south-east Arabia will suffer greatly.

On the other hand, the Imam has shown what I believe to be a genuine desire for friendly relations with Great Britain, and I incline to the opinion that he would not offer very obstinate resistance to measures for his forcible expulsion, provided he were convinced that His Majesty's Government were determined to carry the matter through and had provided the means wherewith to do so. Forcible action combined with the clear announcement of an objective strictly limited to the re-establishment of the Protectorate boundary would not, I think, surprise or render him permanently hostile, especially if he were assured of a willingness to enter subsequently into friendly relations on generous lines; the influence of the party in the Yemen which is insistent against any foreign connexions would be weakened, and the way would be paved for a future treaty by promoting a feeling of healthy respect for Great Britain as a Power which, though tolerant up to the furthest possible point, does not hesitate to maintain its rights when the limit has been passed.

47. I realise, however, that for various reasons His Majesty's Government may find it impossible to undertake military operations on the scale which would be required for the immediate expulsion of the Imam from the whole of the Aden Protectorate. If this be the case, I can only suggest as a not very satisfactory compromise that the military resources at the disposal of the General Officer Commanding, Aden, be increased, especially in regard to suitable aircraft, to an extent which will enable him to repel promptly and with energy any further encroachment by the Imam's forces and by steady and continuous pressure to secure their retirement from those districts of which they are

* Annexure 10.

only in partial occupation. When these results have been attained it may be possible to extend similar and progressive action to Dhala and those portions of the Protectorate in which the Imam has a more firm footing. It will be necessary simultaneously to reorganise and strengthen the civil administration in Aden in order that the Political Resident may be in a position to assume adequate control over the protected tribes, with a view to securing some measure of cohesion for purposes of self-defence and of useful co-operation with His Majesty's forces.

48. At the same time I suggest that it be made clear to the Imam that the desire of His Majesty's Government for ultimate friendly relations with the Yemen remains unchanged; that any hostile action against him within the limits of the Protectorate is designed merely to safeguard rights, which have already been fully explained to him; and that no aggression is intended against the Yemen itself, the independence of which is fully recognised. In this connection, I should deprecate for the present any form of naval action, other than mere demonstration, against Hodeida or any of the Imam's ports, though it might be hinted to him that a blockade is always possible and may become necessary if he persists in a policy of opposition to the rightful claims of His Majesty's Government.

49. In conclusion, I venture to recommend that the attitude and policy of His Majesty's Government be explained quite clearly to the Imam before any definitely hostile action is taken.

I have, etc.,

GILBERT CLAYTON.

ANNEXURE 1.

57516/25.

The Secretary of State for the Colonies to the Political Resident at Aden.

[Telegram.]

24TH DECEMBER, 1925. *Begins*: "You should endeavour to obtain signature of Imam to Draft Treaty enclosed in my Secret despatch to Resident at Aden dated 4th September, 1924;* amended as suggested by latter (his telegram No. 48 of 10th January, 1925†) in respect of Article 4. The following points should be made quite clear to the Imam:—

(*a*) His Majesty's Government has no intention of making any concession with regard to Aden Protectorate boundary.

(*b*) Except for minor points Imam accepted Draft Treaty at previous negotiations, and present negotiations follow same lines.

* Annexure 2. † Annexure 4.

Point raised by Board of Trade should be considered and endeavour should be made to obtain desired modifications, *vide* my despatch of 30th April, No. 27.*

Insistence on withdrawal of Imam's troops from Protectorate before signature is not absolutely necessary. That withdrawal of all his troops from Protectorate is necessary corollary of the treaty to which he will then be a party should, however, be made quite clear to him." *Ends.*

Above instructions are for Sir G. Clayton. Copies of all correspondence will doubtless be supplied to him by you.

I leave it to your discretion in consultation with Clayton to decide how instructions of His Majesty's Government regarding the question of Sheikh Sa'id may best be carried out. In this respect please see my Secret despatch of 4th September, 1924.†

This refers to my telegram of 4th December, 1925.§—SECRETARY OF STATE FOR COLONIES.

ANNEXURE 2.

40896/24.

The Secretary of State for the Colonies to the Political Resident, Aden.

Downing Street, 4th September, 1924.

(Secret.)

SIR,

I have the honour to acknowledge receipt of your Secret despatch No. 99 of the 31st July,‡ with which was enclosed the Imam's counter-draft to the draft of 25th October, 1923. This counter-draft has been carefully considered by His Majesty's Government, and a new draft which may be referred to as the "Draft of August, 1924," is transmitted herewith, in which as many as possible of the Imam's suggestions have been adopted.

2. Before proceeding to treat with the draft treaty Article by Article, there are two general points which arise in more than one Article and which it will be convenient to deal with at this point. These are:—(*a*) the necessity for His Majesty's Government to avoid being compelled to act in conflict with any international obligation by which they are or may be bound; and (*b*) the desire of the Imam to protect himself against delay or unreasonable refusal on the part of His Majesty's Government to supply material aid which the Imam agrees by this Treaty to apply for to His Majesty's Government alone. His Majesty's Government cannot undertake any obligation in this Treaty which shall override their international obligations. As regards the second point, in the event of His Majesty's Government finding themselves unable for any reason to meet any specific demand for the material aid referred to above, they would be prepared to agree that the Imam shall, after due warning has been given and a reasonable period of time has elapsed, be free to apply elsewhere for his requirements.

* Annexure 2. † Annexure 2. § No. 53083/25: not printed. ‡ No. 38336/24: not printed.

Article 1.

3. His Majesty's Government are not prepared to define in this instrument the exact territory over which the Imam exercises authority; nor are they prepared to adopt his alternative wording, which is unsatisfactory and ambiguous. The wording of the draft of 25th October has accordingly been retained.

Article 2.

The Imam's draft has been accepted but the words "the British Government" at the end of the Article have been altered to "His Britannic Majesty's Government."

Article 3.

The object of this Article is to define the territory within which His Majesty's Government are bound by their Protectorate treaties not to permit the interference of the Imam, i.e., to obtain the Imam's recognition to the boundary of the Aden Protectorate. His Majesty's Government cannot admit that the Imam has any rights whatever within the Protectorate and have accordingly rejected his draft. They observe that even in the first of the two parts into which he proposes to divide the Protectorate, he makes his own non-interference conditional upon the administration of justice by the local Chiefs in conformity with the Moslem religion, and they agree with the Acting Political Resident that it is clearly his intention that he should himself be the judge whether or not this condition is being fulfilled. His Majesty's Government will admit no condition of this kind in either of the two parts into which the Imam proposes that the Protectorate should be divided, and must insist upon this Article containing a clear and unmistakable definition of the territory within which no interference of any kind can be permitted. They have accordingly adopted the wording previously submitted to the Imam by you and reported to Mr. Churchill in Article 12 of Appendix "C" to your Secret despatch of the 6th July, 1922.* You will observe that the word "recognises" has been adopted instead of the word "acknowledges" since it is desirable that the Imam should bind himself not merely to acknowledge the existence of the Protectorate Treaties but to recognise their validity. His Majesty's Government have retained the words "not to send any of his armed forces across the frontier," but it should be explained to the Imam that he is expected not merely to refrain from sending further forces across the frontier, but also to withdraw forces in the Aden Protectorate at the time, as soon as the Treaty has been signed.

Article 4.

His Majesty's Government has restored the proviso relating to their international obligation, but apart from this they have accepted the Imam's draft for this Article with the exception of the last sentence, which has been redrafted in accordance with the principles laid down in paragraph 2 of this despatch. You should explain to the Imam that the Clause in this Article, as also in

* No. 34727/22; not printed.

Articles 6, 12 and 14, which provides that the Imam should await His Majesty's Government's acknowledgment of his notification that he proposes to make other arrangements has been inserted to provide for his satisfying himself that his notification has actually reached the British Authorities. His Majesty's Government will, of course, acknowledge his notification without delay. You may, however, at your discretion omit the words " and awaits their acknowledgment thereof before doing so " in the articles referred to if the Imam is unwilling to accept them.

Article 5.

In view of the Acting Political Resident's comment, His Majesty's Government have decided to retain the original draft of this Article.

Article 6.

His Majesty's Government accept the Imam's draft with the addition of a sentence corresponding to the last sentence of paragraph 2.

Article 7.

No remarks.

Article 8.

The reference to Article 9 has been misplaced in translation. This has been corrected in the fresh draft.

Article 9.

No remarks.

Article 10.

His Majesty's Government must insist upon the Imam's declining to permit interference in his territory by any other Government, whether by sale, mortgage or gift, or in any other way. They cannot therefore agree to the Imam's draft, which would leave that Ruler free to lease portions of his territory to a foreign Government. The original draft has accordingly been retained. Nothing in the original draft prevents the Imam from granting leases and otherwise disposing of land in his territory as he thinks best provided that he does not grant such leases or otherwise disposes of the land to a foreign Government. I have the honour to invite reference in this connexion to paragraph 8 of my predecessor's telegram of the 15th August, 1923,* in which it was proposed that a private letter should be addressed to the Imam when the Agreement has been signed explaining that His Majesty's Government interpret the words of this Article as precluding the grant without their prior concurrence to concessions to foreign Governments or companies at Sheikh Sa'id, thus taking advantage of this Article to safeguard the position there. This course should be adopted by you, and a private letter addressed to the Imam accordingly when the opportunity occurs. You should also endeavour to obtain from the Imam in reply an explicit statement in writing that he will grant no lease of Sheikh Sa'id to anyone.

* No. 38478/23 : not printed.

Article 11.

The wording of this Article in the Draft of October, 1923, was very carefully considered by His Majesty's Government, who cannot agree to any alteration in its scope. His Majesty's Government have, however, accepted the recommendation of the Political Resident at Aden and have adopted the phrase " for the purpose of the complete achievement of the longed-for peace." They have also slightly altered the wording of the original Article in order to meet the Imam's objections.

Article 12.

In view of the last sentence of the Acting Political Resident's comments on this Article, you should again present to the Imam the British draft, with the slight modification in its concluding sentence which is shown in the fresh draft, and which conforms with the general principles laid down in paragraph 2 above.

Article 13.

See paragraph 2. A reference to the international obligations of His Majesty's Government has again been inserted in the fresh draft and must be insisted upon. Apart from this the Imam's draft has been accepted.

Article 14.

His Majesty's Government cannot accept the Imam's counter-draft as it stands and would much prefer to retain the original draft. The draft suggested by the Imam would place him in a position to blackmail His Majesty's Government into granting whatever terms he considered fit in regard to the lighting of the Mokha Lighthouse. You should, therefore, press for the original draft, and if you are unable to obtain this you should press for some such wording as the following for the last sentence of Article 14 :—

> " His Excellency the Imam will give priority to His Britannic Majesty's Government in this matter, and after mutual agreement as to the manner in which the lighting is to be arranged His Excellency the Imam will not enter into any agreement with any other Government in this respect. If no agreement is arrived at His Excellency the Imam will then be free to make other arrangements, provided that he gives prior notice to His Britannic Majesty's Government of his intention to do so, and provided that he grants to no other party more favourable terms than those offered to His Britannic Majesty's Government."

Article 15.

If the Imam is not prepared to accept the Draft of October, 1923, His Majesty's Government consider that this Article should be omitted altogether, and that the question should be dealt with in connexion with the cognate subject of Extradition by means of a separate agreement.

Article 16.

No remarks.

Article 17.

His Majesty's Government agree that the term of the Treaty should be extended to ten years, if the Imam so desires.

4. His Majesty's Government are prepared to leave it to your discretion whether the " Draft of August, 1924," should be presented to the Imam as the last word of His Majesty's Government or not. There appears to be distinct advantages in adopting this attitude, but they do not wish to decide the point in advance.

5. With regard to the question of Hodeida, no financial provision has been made in this financial year to compensate the Idrisi for the retrocession of that port. I remain, however, of opinion that the conclusion of an agreement with the Idrisi should be reached simultaneously with the conclusion of the Yemen Treaty, and His Majesty's Government will be prepared to ask Parliament to revote the £20,000 which lapsed owing to the death of the late Idrisi.

I have, &c.
(for the Secretary of State),
HENRY LAMBERT.

Draft of August, 1924.

1. His Britannic Majesty's Government acknowledge the absolute independence of His Excellency the Imam in all political and administrative matters internal and external and his authority in the territories which are under His Excellency. Nothing in this clause is to be considered as a contradiction of what is stated in Article 2.

2. His Excellency the Imam shall not correspond with or make any engagement with any Government or with anyone on any matter prejudicial to His Britannic Majesty's Government and similarly His Britannic Majesty's Government shall not correspond with or make any engagement with any Government whatever or with any one on any matter prejudicial to His Excellency the Imam's Government. His Excellency the Imam is at liberty to correspond or enter into engagements with any Government whatever on matters which are not prejudicial to His Britannic Majesty's Government.

Lower Aulaki Sultan
Haushabi Dhurub (Haura) Wahidi of Bir Ali
Wahidi of Balahaf
Aqrabi Sheikh.
Fadli Sultan.
Ath Sheikh
Alawi Sheikh
Lower Yafai Sultan
Sheikh of Irka.
Sheikh of Haura
Dhubi Section of the Yafai as-Safal.
Abdali Sultan of Lahej.
Mausatta Section of the Yafai as-Safal.

3. His Excellency the Imam recognises the Protectorate Treaties made by His Britannic Majesty's Government with the tribes of the Aden Protectorate as shown in the margin. He undertakes not to send any of his armed forces across the frontier demarcated by the Turkish and British Governments in 1904 or to interfere in any way with the peoples inhabiting the Aden side of the boundary line.

4. His Excellency the Imam will apply only to His Britannic Majesty's Government for the arms and ammunition, war materials, &c., that he may need for the organisation and defence of his country, and His Britannic Majesty's Government will supply him so far as their international obligations permit at easy and fair rates and as soon as possible with a sufficient quantity

of what is mentioned. If for any reason His Britannic Majesty's Government are unable to meet His Excellency the Imam's requirements, they will so inform him without delay, and His Excellency the Imam shall then be free to make other arrangements provided that he gives prior notice to His Britannic Majesty's Government of his intention and awaits their acknowledgment thereof before doing so.

5. His Britannic Majesty's Government and His Excellency the Imam will jointly prevent the import of arms, ammunition and war material to the territory of His Excellency the Imam apart from those for His Excellency the Imam mentioned in the Article 4. His Britannic Majesty's Government will do their best, as far as international law permits, to prevent the import by sea, and His Excellency the Imam will confiscate any of them found in his territory to whomsoever they may belong. Both Governments shall act with due regard to any international Convention for the control of the traffic in arms to which they are parties.

6. His Excellency the Imam will apply to His Britannic Majesty's Government for his requirements, such as able instructors, expert engineers, efficient and scientific doctors, medicines, machinery for industrial work, and for telegraph and wireless installations for the purpose of the progress and advancement of his country, and His Britannic Majesty's Government shall grant him his requirements of these at easy and fair rates and as soon as possible. If for any reason His Britannic Majesty's Government are unable to meet His Excellency the Imam's requirements they will so inform him without delay, and His Excellency the Imam shall then be free to make other arrangements provided that he gives prior notice to His Britannic Majesty's Government of his intention and awaits their acknowledgment thereof before doing so.

7. His Excellency the Imam and His Britannic Majesty's Government shall each have an official agent in the other's territory, and the agent of each shall have the same rights and privileges as are accorded to the agent of the other. These rights and privileges shall be agreed upon after the decision as to the places at which the agents of the two Governments shall reside.

8. His Excellency the Imam and His Britannic Majesty's Government will develop the trade and will keep open the trade routes both by land and sea between their respective territories, and His Britannic Majesty's Government will give to the subjects of His Excellency the Imam complete freedom for transacting business both by sea and land. Neither His Britannic Majesty's Government nor His Excellency the Imam shall impose any dues on mercantile goods other than the prescribed transit dues by land and sea known to each of them and when any change in dues is made in either country as provided for in Article 9, it shall be communicated at once by the one to the other.

9. Both His Excellency the Imam and His Britannic Majesty's Government shall have full freedom to impose any tax on goods they wish in their own countries, but each undertakes not to

impose greater taxes on the subjects of the other than on the subjects of any other Government.

10. His Britannic Majesty's Government declare that they will not interfere in His Excellency the Imam's territory in any way, and likewise His Excellency the Imam declares that he will not either by sale, mortgage or gift, or in any other way, admit interference in his territory by any other foreign Government.

11. For the purpose of the complete achievement of the longed-for peace His Britannic Majesty's Government undertake not to give to any of the neighbouring Arab Chiefs who are in treaty relations with them any help, support or supplies in the event of aggression by the said Chiefs against the territories of His Excellency the Imam. In the event of any dispute arising between His Excellency the Imam and any such Arab chief His Excellency the Imam shall inform His Britannic Majesty's Government as soon as possible in order that His Britannic Majesty's Government may advise the Arab Chief concerned to refrain from such aggression. If the Chief does not accept their advice, then His Britannic Majesty's Government undertake to restrain him by all peaceful and practicable means in their power. Similarly, in the event of any aggression by the Imam or by any of his officers or by any of his subordinates against any of the above-mentioned Arab Chiefs His Britannic Majesty's Government will notify His Excellency the Imam as soon as possible, and His Excellency the Imam undertakes to the best of his ability to stop such aggression.

12. If His Excellency the Imam wishes to inaugurate any scheme in any port or place or to lay any railway line in his country, dig any mines, or undertake anything which would develop the condition of trade in his territory he shall make a request for his requirements to His Britannic Majesty's Government with a view to arrangements being made to carry out any such project or projects; and, if his request is granted, then preference shall be given to them, but if for any reason His Britannic Majesty's Government are unable to meet His Excellency the Imam's requirements they will so inform him without delay, and His Excellency the Imam shall then be free to make other arrangements provided that he gives prior notice to His Britannic Majesty's Government of his intention and awaits their acknowledgment thereof before doing so.

13. His Excellency the Imam will assist His Britannic Majesty's Government in their efforts to suppress the traffic in African slaves by sea. His Britannic Majesty's Government will, so far as their international obligations permit, do their best to help the Government of His Excellency the Imam in the prevention of the import of intoxicants, harmful drugs and lewd pastimes and instruments forbidden by the Shari'a into the territories of His Excellency the Imam. His Britannic Majesty's Government will use all efforts to prevent the import of the same by sea and His Excellency the Imam's Government will stop the traffic in such things by land and confiscate the same in his territories to whomsoever they belong.

14. On the conclusion of this Treaty His Excellency the Imam and His Britannic Majesty's Government will mutually agree as to the manner in which the lighthouses on the sea-shores of the Imamic territories are to be lit. His Excellency the Imam will give priority to His Britannic Majesty's Government in this matter, and after mutual agreement as to the manner in which the lighting is to be arranged, His Excellency the Imam will not enter into any agreement with any other Government in this respect.

15. Every claim in any matter arising within the Imamic territories between the people of His Excellency the Imam's territories and the subjects of His Britannic Majesty's Government shall be dealt with in accordance with the Islamic Shari'a in the Imamic Courts; and similarly every claim in any matter arising within British territory between subjects of His Britannic Majesty and subjects of His Excellency the Imam shall be dealt with in British Courts. Notwithstanding anything in this Article the subjects of His Britannic Majesty shall enjoy in the Imamic territories, rights and privileges not less favourable than subjects of His Excellency the Imam in all that concerns the administration of justice; and such rights and privileges shall not be less than those of the most favoured nation with whom His Excellency the Imam may at any time conclude a Treaty.

16. His Excellency the Imam shall not be responsible for any one, whoever he or she may be, or for a subject of any Government, who enters Imamic territories without previous formal permission from His Excellency the Imam.

17. Every clause of this treaty shall be as binding as the whole treaty and this treaty of friendship shall be in force and binding upon both parties for a period of ten years, at the end of which it shall be renewed either in its present form or in such other form as may be agreed upon mutually by His Britannic Majesty's Government and His Excellency the Imam in accordance with the circumstances of the time.

19053/25.

The Secretary of State for the Colonies to the Resident, Aden.

Downing Street, 30th April, 1925.

(No. 27.)

SIR,

I have the honour to refer to your despatch No. 32 of the 18th of March,* on the subject of certain additions which the Board of Trade have suggested should be incorporated in the proposed Treaty with the Imam of San'a, and to transmit herewith, for your consideration, a copy of a further letter which has been received from the Board of Trade on the subject.

2. You will observe that the only point on which there is now any question of altering the text of the Treaty is as regards the wording of Article IX. I am of the opinion that it would be undesirable to make a formal communication to the Imam regard-

* No. 14434/25: not printed.

ing an alteration in the text of the Treaty, but I should be glad if you would consider whether, if and when negotiations on the subject are re-opened, it might not be possible to make some small addition to the text so as to cover the point raised by the Board of Trade.

3. I desire further to direct your attention to the last paragraph of the enclosed letter. I concur in the view that no agreement should be reached under Article XIV of the Treaty without full consideration of the question by His Majesty's Government.

I have, &c.,
(For the Secretary of State),
W. ORMSBY-GORE.

Commercial Relations and Treaties Department,
Board of Trade,
Great George Street, London, S.W.1.
27th April, 1925.

C.R.T. 1126/25.

SIR,

With reference to your letter of the 1st April,* transmitting copy of a despatch from the Political Resident at Aden, on the subject of the proposed Treaty with the Imam of San'a, I am directed by the Board of Trade to state that they now understand that the expression "dues" as used in Article VIII is intended to include only charges levied on the *transport* of goods, while the "taxes" on goods referred to in Article IX would be of the nature of customs or consumption duties.

The Board would still prefer, should this become practicable, that Article IX should be amended to secure most-favoured-nation treatment in terms for British goods as distinct from most-favoured-nation treatment for British subjects who may import them, but failing this it might be feasible to make it clearer that the "taxes on the subjects" referred to in Article IX do in fact include duties levied on the goods imported by such subjects.

As regards Article XIV, the Mokha Lighthouse is one of the four lighthouses for the Red Sea, the construction and maintenance of which was conceded in 1899 by the Turkish Government to the Administrative Generale des Phares de l'Empire Ottoman. The future of the other three lighthouses is, as Mr. Secretary Amery will be aware, now the subject of correspondence between the Foreign Office and the French Ambassador, and it is accordingly desirable that nothing should be agreed under this Article XIV or otherwise, in regard to the future of the Mokha Light without full consideration of the bearing of any such agreement on the question of the other lights.

I have, &c.,
H. FOUNTAIN.

The Under-Secretary of State,
Colonial Office.

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* No. 14434/25 : not printed.

Draft of August, 1924, as finally submitted to the Imam by the Resident, Aden.

[NOTE.—*Articles* 1, 2, 4, 6, 7, 8, 9, 10, 11, 12 *and* 13 *are identical with those in the "Draft of August*, 1924," *and are not reprinted.*]

* * * * * *

3. His Excellency the Imam recognises the Protectorate Treaties made by His Britannic Majesty's Government with the tribes of the Aden Protectorate as shown in the margin. He undertakes not to send any of his armed forces across the frontier demarcated by the Turkish and British Governments in 1904 or to interfere in any way with the peoples inhabiting the Aden side of the boundary line.

* * * * * *

5. His Britannic Majesty's Government and His Excellency the Imam will jointly prevent the import of arms, ammunition and war material to the territory of His Excellency the Imam apart from those for His Excellency the Imam mentioned in the Article 4. His Britannic Majesty's Government will do their best, as far as international law permits, to prevent the import by sea and His Excellency the Imam will prevent the import by land. His Excellency the Imam will confiscate any of them found in his territory to whomsoever they may belong. Both Governments shall act with due regard to any international Convention for the control of the traffic in arms to which they are parties.

* * * * * *

14. On the conclusion of this Treaty His Excellency the Imam and His Britannic Majesty's Government will mutually agree as to the manner in which the lighthouses on the sea-shores of the Imamic territories are to be lit. His Excellency the Imam will give priority to His Britannic Majesty's Government in this matter and after mutual agreement as to the manner in which the lighting is to be arranged His Excellency the Imam will not enter into any agreement with any other Government in this respect. If no agreement is arrived at His Excellency the Imam will then be free to make other arrangements provided he gives prior notice to His Britannic Majesty's Government of his intention to do so, and provided he grants to no other party more favourable terms than those offered to His Britannic Majesty's Government.

15. His Excellency the Imam shall not be responsible for anyone, whoever he or she may be, or for a subject of any Government, who enters Imamic territories without previous formal permission from His Excellency the Imam.

16. Every clause of this Treaty shall be as binding as the whole Treaty and this Treaty of friendship shall be in force and binding upon both parties for a period of ten years, at the end of which time it shall be renewed either in its present form or in such other form as may be agreed upon mutually by His Britannic Majesty's Government and His Excellency the Imam in accordance with the circumstances of the time.

ANNEXURE 3.

Foreign Office to the High Commissioner for Egypt.

[Telegram.]

(279)

18TH NOVEMBER, 1925. Following for Sir G. Clayton from Secretary of State for the Colonies:—

Begins: You will have seen from my earlier message that I approve your proceeding to Jerusalem and Bagdad to complete the good work already done by you with ibn Sa'ud. It has occurred to me that you might perhaps be willing during your stay in the Middle East to undertake another negotiation for which your experience and qualifications suit you. As you probably know, we have been trying for the last three years to conclude a treaty with the Imam of Yemen. For various reasons, amongst which the most important was the temporary occupation of Hodeida by Idrisi, these negotiations have not yet come to a successful issue. The Imam has asked that a British envoy should be sent to San'a in order to clear up a few outstanding points. Present position is that he is actively if not openly encouraging his followers to encroach upon the Aden Protectorate and that air action has had to be taken in support of the Protectorate tribes. This action has not proved entirely successful and His Majesty's Government are anxious to use every effort to establish permanent conditions in the hinterland of Aden without recourse to armed force. They therefore desire to accede to the Imam's request and to send an envoy to San'a. It is clearly desirable that the envoy should proceed with the least possible delay in order that further complications on the Protectorate frontier may be avoided. If you would agree to extend your period of employment under the Colonial Office for this purpose you might proceed by sea to Aden from 'Iraq after completing your discussions with the High Commissioner and the 'Iraq Government at Baghdad and the Resident at Aden, to whom this telegram is being repeated, would in the meantime be able to make the necessary arrangements for your journey to San'a and your reception by the Imam. I should explain that the proposed mission has the support of the Resident at Aden, who has asked His Majesty's Government to nominate an officer for the purpose as no local Political Officer can be spared. If you accept, full instructions will be sent to you in due course: *Ends.*

Please repeat to Aden.

1828/25.

ANNEXURE 4.

The Political Resident, Aden, to the Secretary of State for the Colonies.

[Telegram.]

(No. 48.) (Secret.)

10TH JANUARY, 1925. In reply to your telegram of 8th January,* I have to report that the draft terms of August, 1924, having been communicated to him on 29th September, the Imam replied on 26th October with a query as to whether Government would further discuss some of the terms together with a reconsideration of the draft he despatched on 3rd Zilhijja (3rd July). My reply, on the 15th of November, pointed out the impossibility of reconsideration of a draft on which was based the one approved by Government. Further, I maintained that his draft had received the most friendly and fullest consideration. Without allowing further discussion of the draft of the 29th September, which had been approved by Government, I asked him to notify me if any particular words of doubtful meaning could be replaced by others without changing the sense, with a view to expressing more clearly the desire of both Governments. I also reiterated the anxiety of Government as well as his own for the completion of the Treaty.

On 2nd December the Imam wrote me a somewhat ambiguous letter, which after consultation with the Sultan of Lahej I took to mean that Government's draft was acceptable to him but that he would prefer Article 3 to bear no reference to the Turks, the right of whose claims to his country he never recognised. Also in Article 4 he would like a limit of time fixed for the receipt of a reply, and his own wording in Articles 6 and 12 he would like restored.

I replied to him on 8th January in the following terms:—

I was aware that he never recognised the Ottoman in his country, and explained that the reference to the Turks in Article 3 was in no way intended to convey the recognition of Ottoman rights, but was for the purpose of describing conveniently the actual frontier, determined by expert officers, that we wished him to recognise, the boundary between the territory administered by him and that of those tribes with whom he had, by the Treaty, promised not to interfere. I suggested this addition to Article 4:—" this acknowledgment will be despatched by His Britannic Majesty's representative within ten days of receipt by him of His Excellency the Imam's letter of notice."

I suggested that, as he had agreed to the principle embodied in Article 4, the same as that in Article 6 and 12, he should accept Government's wording with the same addition as I now suggested for Article 4.

With reference to the words, included by Government in Article 12 but left out in the Imam's wording of July, 1924, " to inaugurate any scheme in any port or place," I pointed out that

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* No. 40896/24; not printed.

the British, being essentially a seafaring nation, have, as such, a peculiar knowledge of the requirements of shipping in harbours and ports.

The Imam urged the necessity of a gathering of the Chiefs of his tribes so that, to allay suspicion and prevent re-discussion afterwards, he might lay before them the whole matter. While allowing him to be the best judge of the necessity of this, I reflected that considerable delay would be the outcome of such a gathering.

ANNEXURE 5.

Imam's Counter-Draft of Article 3 of the Draft of August, 1924.

His Highness the Imam consents to the retention by His Majesty's Government of the town of Aden so long as friendly relations and treaties are maintained between the two parties. His Highness will similarly consent to the continuance of the present administration in those territories in which it is necessary to safeguard the interests of the Aden Government, on condition that the inhabitants of those territories will always act within the bounds of justice and law, and ensure the freedom and security of communications. His Highness will further help by preventing the advance of any armed force to any of those territories (as shown in the list at the end of this Article). As for what is actually occupied by the Imam's troops, this shall remain in *status quo* without discussion, but His Highness will have regard for the Chiefs concerned and will compensate them suitably.

Lahej.

Abian (i.e. Fadli).

Haushabi.

Subeihi.

Bir Ahmad.

Bir 'Ali.

Balahaf.

Yafa—with the exception of Sha'aib and other territories actually under occupation.

Hadramaut.

Aulaki.

Ka'iti.

Kathiri.

ANNEXURE 6.

First Counter-Draft Treaty submitted by Imam on 6th February, 1926.

Article 1.

His Britannic Majesty's Government recognise the absolute independence of the Imam in all matters political and administrative, internal and external, and his sovereignty in the territories handed down to him (i.e. by inheritance). Nothing in the present Article is to be considered as invalidated by the provisions of Article 2.

Article 2.

His Highness the Imam shall not enter into correspondence or agreement with any Government or individual on any matter prejudicial to His Britannic Majesty's Government. Similarly His Britannic Majesty's Government shall not enter into correspondence or agreement with any Government or individual on any matter prejudicial to the Government of His Highness the Imam. His Highness the Imam will be at liberty to enter into correspondence or agreement with any Government on matters which are not prejudicial to His Britannic Majesty's Government.

Article 3.

[*This Article is identical with the Imam's counter-draft forming Annexure* 5, *and is not reprinted.*]

Article 4.

The fact that the territories referred to in the preceding Article are placed under a particular jurisdiction (such as Aden, which we have allowed to come under the temporary occupation of Great Britain), may not be interpreted as implying any change in their dependence on the Imamate, which remains the original and natural sovereign authority. On the contrary, it will be incumbent on His Britannic Majesty's Government to compel the Rulers and peoples of those territories to establish good relations with the sovereign authority within two years, while His Britannic Majesty's Government undertake to abstain from supplying those territories with any arms or other supplies which may cause controversy. The Rulers and Chiefs of those territories will be required to rule with justice, while the judges, who must belong to the Shafe'ite persuasion, will be men of tried integrity, to be appointed by the Imam. Further, should those Rulers and Chiefs fail in putting an end to dissensions and bloodshed among their tribes, it shall rest with the Imam to take all possible action to restore order and prevent hostilities and destruction.

Article 5.

His Britannic Majesty's Government and His Highness the Imam shall each have an official representative in the territory of the other, and each of the two representatives shall have the same rights and privileges as are accorded to the other, such rights and privileges to be agreed upon when the localities at which each representative is to reside will have been fixed.

Article 6.

His Britannic Majesty's Government and His Highness the Imam will give increased scope to commerce and will keep open the trade routes, both by land and by sea, between the two countries. His Britannic Majesty's Government will give to the subjects of His Highness the Imam complete freedom for the pursuit of trade whether by sea or by land. Neither His Britannic Majesty's Government nor His Highness the Imam shall impose any duty on commercial goods other than the prescribed transit (land and sea) dues which are known to each Government. If any change is made by either Government in the prescribed dues, they will be bound to inform the other Government of such change immediately.

Article 7.

His Britannic Majesty's Government and His Highness the Imam shall each remain absolutely free to impose such duty on goods in their territory as they may wish; but they both undertake not to impose higher duties on the goods of their respective subjects than is imposed on the goods of the subjects of any other Government.

Article 8.

His Britannic Majesty's Government declare that they will not interfere in any way in the dominions of His Highness the Imam; while His Highness the Imam declares that he will not permit the interference of any foreign Government in his dominions whether by sale, or mortgage or gift or any other form of ownership.

Article 9.

In order to achieve the desired peace completely, His Britannic Majesty's Government undertake to refrain from giving neighbouring Arab chiefs who may be in treaty relations with them (with the exception of those mentioned in Article 3) any aid or assistance or reinforcement. In the event of any of those Chiefs attacking His Highness the Imam, or in the event of any difference arising between His Highness the Imam and any of those Arab Chiefs, it will be incumbent upon His Britannic Majesty's Government to advise and oppose the said Arab Chief with a view to checking his aggression.

Article 10.

Should His Highness the Imam desire to construct a railway in his dominions and to entrust its construction to a foreign company, it will be open to His Highness to inform His Britannic Majesty's Government of the offers made by foreign companies, so that, in the event of British companies wishing to undertake the contract on terms more acceptable, cheaper, and more expeditious than those of other foreign companies, preference and priority will be given to them. His Highness the Imam will not place such orders with other than British firms so long as British firms offer the required facilities. But should His Highness the Imam desire to undertake the construction without recourse to a foreign company, he will be free to do so, absolutely and without restriction.

Article 11.

[*This Article is identical with Article* 13 *in the Draft of August*, 1924 (*Annexure* 2), *and is not reprinted.*]

Article 12.

The lighting of lighthouses will be undertaken by His Highness the Imam in agreement with the Central Lighthouse Administration, on the understanding that all officials and servants engaged in this service will be Yamani subjects of His Highness exclusively.

Article 13.

All questions arising within Imamic territory between subjects of His Highness the Imam and recognised subjects of His Britannic Majesty will be settled in Imamic courts and in accordance with Shari'a law. Similarly any claim arising in British territory between subjects of His Britannic Majesty and subjects of His Highness the Imam will be settled in British courts and according to the dictates of justice and of equality before the law.

Article 14.

On the conclusion of the present Treaty, the Government of His Highness the Imam, whose full independence will have been thus recognised, shall have the right to undertake any of the activities which are proper to an independent state, such as the post office, passports, harbours and sea-shores, shipping (including the purchase, sale, hire and construction of vessels) flying the Imamic flag. His Highness the Imam will also be free to purchase whatever he may find necessary in the way of equipment, armaments, supplies and the like, as is the established practice in international commercial usage.

Article 15.

His Britannic Majesty's Government shall supply His Highness the Imam with anything he might require, in the way of weapons of war and medical requirements, on the cheapest and fairest terms. Should His Highness the Imam require the services of a physician or an engineer, His Britannic Majesty's Government will be required to find candidates at cheap and moderate salaries.

Article 16.

Every Article in the present Treaty shall have the same force as the Treaty itself. The present Treaty shall be binding on both parties for ten years, at the end of which period it will be renewed on terms to be agreed upon between His Highness the Imam and His Britannic Majesty's Government.

Article 17.

The Arabic version is the sole authoritative version to which all reference in interpretation is to be made.

ANNEXURE 7.

Draft Presented to the Imam on the 10th February, 1926.

WHEREAS there are certain outstanding matters which require settlement between His Britannic Majesty's Government and the Government of His Highness the Imam of Yemen, and

WHEREAS His Highness the Imam of Yemen advances claims which are held by His Britannic Majesty's Government to be incompatible with their present position and obligations in the Aden Protectorate,

The two High Contracting Parties

Being desirous of establishing friendly relations between the two countries have mutually agreed as follows:

Article 1.

The settlement of the claims advanced by His Highness the Imam with reference to the southern boundary of the Yemen and to rights over certain territories lying within the present boundary of the Aden Protectorate is deferred and shall hereafter form the subject of friendly negotiation between the two parties with a view to arriving at a final settlement before the expiry of the duration of the present Agreement; it being understood that nothing in this Agreement shall be taken as meaning that His Highness the Imam renounces his claims or that His Britannic Majesty's Government admit them.

Article 2.

His Britannic Majesty's Government acknowledge the absolute independence of His Highness the Imam in all matters, political and administrative, external and internal; while His Highness the Imam recognises the Protectorate Treaties between His Britannic Majesty's Government and the Chiefs and tribes of the Aden Protectorate (as shown in the list at the foot of this Article) and undertakes to prevent, by all the means at his disposal, any incursion by armed forces across the frontier which was demarcated in 1903, 1904 and 1905, and ratified in 1914, by the British and Turkish Governments. His Highness the Imam also undertakes to prevent any interference, of whatsoever kind, on the part of his subjects with the peoples inhabiting the Aden side of that frontier.

(The list of Chiefs and tribes is identical with that given in the margin of Article 3 of the Draft of August, 1924*.)

Article 3.

In order to render possible the friendly negotiations envisaged in Article 1 of the present Agreement. His Highness the Imam undertakes, within six months of the date of signature of the present Agreement, to withdraw all his officials and forces of whatsoever kind from those territories lying on the Aden side of the boundary, which are at present in his occupation.

Article 4.

Same as Article 2 of the Draft of August, 1924*.

* Annexure 2.

Article 5.

Same as Article 4 of the Draft of August, 1924*.

Articles 6-16.

Same as Articles 5-15 of the Draft of August, 1924*.

Article 17.

The present Agreement shall be in force for a period of ten years, at the end of which period it shall be renewed in such form as may be agreed upon by the two parties and in such a way as to include a final settlement of the claims advanced by His Highness the Imam.

ANNEXURE 8.

Second Counter-Draft Treaty presented by the Imam on the 14th February, 1926.

His Britannic Majesty's Government on the one part and His Highness the Imam Yahya of the Yemen on the other part:

Being desirous of settling certain outstanding matters between them and to establish relations between the two countries on a basis of friendship and co-operation for their mutual benefit and with a view to reaching permanent agreement in future:

His Britannic Majesty's Government have named and appointed Sir Gilbert Falkingham Clayton, K.B.E., C.B., C.M.G., as their Representative and Plenipotentiary to conclude a Treaty for this purpose with the Imam Yahya al-Mutawakkil 'ala Allah:

In virtue of which, the said Imam Yahya al-Mutawakkil 'ala Allah on behalf of the Yemen, and the said Sir Gilbert Falkingham Clayton on behalf of His Britannic Majesty's Government, have agreed upon and concluded the following Articles:

Article 1.

His Britannic Majesty's Government recognise the absolute independence of the Imam in all matters political and administrative, internal and external, and his sovereignty in his dominions. Nothing in the present Article is to be considered as invalidating the provisions of Article 2.

Article 2.

[*This Article is identical with Article 2 of the first counter-draft forming Annexure* 6, *and is not reprinted.*]

Article 3.

The settlement of the question of the southern frontier referred to in Article 4 is deferred pending the conclusion of the negotiations which shall take place between His Britannic Majesty's Government and His Highness the Imam before the expiry of the present Treaty, it being understood that nothing contained in the Articles of the present Treaty is to be taken as meaning that His Highness the Imam renounces his claims or that His Britannic Majesty's Government recognise any part of his claims.

* Annexure 2.

Article 4.

His Highness the Imam agrees that the territories lying in the southern part should remain as at present in the hands of the Chiefs whose names are enumerated below. His Highness undertakes to prevent by all the means at his disposal any incursion by his armed forces, while Great Britain undertakes to prevent the entry of any of her armed forces into those territories. His Highness the Imam will also prevent any interference on the part of his subjects with the affairs of the inhabitants of those territories on condition that no aggression be committed, whether by His Britannic Majesty's Government or by one of the Chiefs referred to above, on any of the territories which are at present in the hands of His Highness the Imam. Here follows the list of Chiefs:—

(The list is identical with that given in the Imam's first draft, Annexure 6, save for the addition of The Audali and Jabal Radfan.)

Article 5.

In the event of His Highness the Imam applying to His Britannic Majesty's Government in the first instance for the supply of such arms, ammunition, war material and equipment as he may require, His Britannic Majesty's Government shall supply him with his requirements at fair and moderate rates and with all possible speed. If for any reason His Britannic Majesty's Government are unable to supply His Highness the Imam's requirements within two months, and at a moderate price, His Highness will then be free to apply for his requirements to any Government or Company without restriction.

Article 6.

In the event of His Highness the Imam applying to His Britannic Majesty's Government for the selection of such engineers, doctors and other professional men, and of such medicines, machinery, telegraph and wireless plants as he may require, or should he desire to undertake projects of an economic nature such as the construction of railways, or the exploitation of mines, or similar works, and were to apply to His Britannic Majesty's Government, the latter shall supply him with his requirements at fair and moderate rates and without delay. If, for any reason, His Britannic Majesty's Government are unable to meet His Highness the Imam's requirements, they will so inform him without delay.

Article 7.

[*This Article is identical with Article* 6 *in the first counter-draft forming Annexure* 6, *and is not reprinted.*]

Article 8.

[*This Article is identical with Article* 7 *in the first counter-draft forming Annexure* 6, *and is not reprinted.*]

Article 9.

His Britannic Majesty's Government and His Highness the Imam shall each have an official representative in the territory of the other, and each of the two representatives shall have the same rights and privileges as are accorded to the other, such rights and privileges to be settled by subsequent agreement.

Article 10.

[*This Article is identical with Article* 8 *of the first counter-draft forming Annexure* 6, *and is not reprinted.*]

Article 11.

His Highness the Imam will, by every possible means, assist His Britannic Majesty's Government in their endeavours to prevent the African slave traffic by sea.

Article 12.

After the ratification of this Treaty, His Britannic Majesty's Government and His Highness the Imam will come to an agreement as to the manner in which the lighthouses on the Imamic coast are to be lit. His Highness the Imam will give priority to His Britannic Majesty's Government in this matter; and after agreement as to the manner in which the lighting is to be performed, His Highness the Imam will not conclude any agreement in this matter with any other Government. If no agreement is reached, His Highness the Imam will be free to make other arrangements.

Article 13.

All questions arising within Imamic territory between subjects of His Highness the Imam and recognised subjects of His Britannic Majesty, will be settled in Imamic Courts and in accordance with Shari'a law. Similarly any claim arising in British territory between subjects of His Britannic Majesty and subjects of His Highness the Imam will be settled in British Courts and in accordance with the dictates of justice.

Article 14.

The Government of His Highness the Imam shall have the right to undertake any of the activities which are proper to an independent state, such as the post office, passports, harbours and sea-shores, shipping (including the purchase, sale, hire and construction of vessels) flying the Imamic flag. His Highness the Imam will also be free to purchase whatever he may find necessary in the way of equipment, armaments, supplies, and to restore the submarine cable at Sheikh Sa'id, and deal with similar matters, as is the established practice in international usage. His Britannic Majesty's Government undertake to give their help and guidance towards the achievement of such objects.

Article 15.

The Arabic version is the sole authoritative version to which all reference in interpretation is to be made.

Article 16.

The present Treaty shall remain valid and in force for a period of ten years as from . On the expiry of that period it will be renewed in a form to be agreed upon by both parties and in such a way as to provide a final settlement in regard to the question referred to in Article 3.

ANNEXURE 9.

Draft Treaty presented to the Imam on the 16th February, 1926.

[*Note.—The preamble is identical with that of the second counter-draft forming Annexure* 8, *and is not reprinted.*]

Article 1.

His Britannic Majesty's Government acknowledge the sovereignty and the absolute independence of His Highness the Imam in all matters, political and administrative, internal and external, in his dominions. Nothing in the present Article is to be considered as a contradiction of the contents of Article 2.

Article 2.

[*Identical with Article* 2 *of the first counter-draft forming Annexure* 6, *and is not reprinted.*]

Article 3.

The settlement of the question of the southern frontier referred to in Article 4 is deferred pending the conclusion, in whatever way may be agreed upon by both parties, of the negotiations which shall take place between His Britannic Majesty's Government and His Highness the Imam before the expiry of the present Treaty, it being understood that nothing contained in the Articles of the present Treaty is to be taken as meaning that His Highness the Imam renounces his claims or that His Britannic Majesty's Government recognise any part of his claims.

Article 4.

The territories which are in the hands of the Rulers and Chiefs enumerated at the foot of this Article, and which are bounded by the frontier demarcated in 1903, 1904 and 1905 shall remain under the rule of those Rulers and Chiefs as obtains at present. His Highness the Imam recognises the special relations existing between them and His Britannic Majesty's Government, it being understood that this recognition does not abrogate the provisions of Article 3. His Highness the Imam undertakes that he will prevent, by all means at his disposal, any aggression by his forces on those territories, and any interference by his subjects with the affairs of the peoples inhabiting the Aden side of that frontier.

(Here follows a list of Chiefs and Rulers, which is identical with the list attached to Article 3 of the Draft of August, 1924*.)

* Annexure 2.

Article 5.

His Highness the Imam will apply to His Britannic Majesty's Government in the first instance for the supply of such arms, ammunition and war material as he may require for the organisation of defence in his dominions, and His Britannic Majesty's Government will be expected, so far as their international engagements permit, to supply him with his requirements at fair and moderate rates and with all possible speed. If, for any reason, His Britannic Majesty's Government are unable to meet His Highness the Imam's requirements, they will so inform him without delay and within two months of the receipt of his application. His Highness the Imam will then be free to apply for his requirements wherever else he may choose.

Article 6.

His Britannic Majesty's Government and His Highness the Imam will take combined action to prevent the import of arms, ammunition and war material into the dominions of His Highness the Imam, apart from such material as is mentioned in Article 5, and is intended for His Highness the Imam. His Britannic Majesty's Government will do their best, so far as international law permits, to prevent such import by sea, and His Highness the Imam will do his best to prevent it by land and will confiscate such importations wherever they may be found in his dominions.

Article 7.

His Highness the Imam will apply to His Britannic Majesty's Government in the first instance for the selection of such engineers, doctors and other professional men, and of such medicines, machinery, telegraph and wireless plants as he may require. Likewise if he should desire to undertake projects of an economic nature such as the construction of railways or harbours, or the exploitation of mines, or similar works, he will apply in the first instance to His Britannic Majesty's Government, who will be expected to supply him with his requirements at fair and moderate rates and with all possible speed. If, for any reason, His Britannic Majesty's Government are unable to meet His Highness the Imam's requirements, they will so inform him without delay. His Highness the Imam will then be free to apply for his requirements wherever else he may choose.

Article 8.

His Britannic Majesty's Government and His Highness the Imam shall each have an agent in the territory of the other, and each of the two representatives shall have the same rights and privileges as are accorded to the other, such rights and privileges to be agreed upon when the localities at which each representative is to reside will have been fixed.

Article 9.

[*This Article is identical with Article* 6 *in the first counter-draft forming Annexure* 6, *and is not reprinted.*]

Article 10.

[*This Article is identical with Article* 7 *in the first counter-draft forming Annexure* 6, *and is not reprinted.*]

Article 11.

His Britannic Majesty's Government declare that they will not interfere in any way in the dominions of His Highness the Imam; while His Highness the Imam declares that he will not permit the interference of any foreign Government in his dominions whether by sale, or mortgage or gift or lease or any other form of possession.

Article 12.

His Highness the Imam will, by every possible means, assist His Britannic Majesty's Government in their endeavours to prevent the African slave traffic by sea.

Article 13.

After the ratification of this Treaty, His Britannic Majesty's Government and His Highness the Imam will come to an agreement as to the manner in which the lighthouses on the Imamic coast are to be lit. His Highness the Imam will give priority to His Britannic Majesty's Government in this matter; and after agreement as to the manner in which the lighting is to be performed, His Highness the Imam will not conclude any agreement in this matter with any other Government. If no agreement is reached, His Highness the Imam will be free to make other arrangements on condition that he will not grant, to whomsoever he may conclude an agreement with, more favourable terms than those offered to His Britannic Majesty's Government.

Article 14.

His Britannic Majesty's Government and the Government of His Highness the Imam agree that the forces of neither Government may cross the frontier referred to in Article 4 except with the consent of the two Governments. In case of aggression across the frontier, the Government into whose territory the aggression is made will inform the other Government without delay so as to enable the latter to find out the aggressors, punish them and exact compensations from them, in such manner as may be agreed upon by the two Governments.

Article 15.

The present Treaty will be known as the Treaty of San'a.

Article 16.

The present Treaty shall remain valid and in force for a period of ten years from the date of its ratification. On the expiry of that period it will be renewed in a form to be agreed upon by both parties and in such a way as to provide a final settlement in regard to the question referred to in Article 3.

ANNEXURE 10.

Amended Draft presented to the Imam on the 18th February, 1926.

[*Note.—The Preamble is identical with that in the second counter-draft forming Annexure* 8, *and is not reprinted.*]

Article 1.

[*This Article is identical with Article* 1 *in the draft Treaty forming Annexure* 9, *and is not reprinted.*]

Article 2.

[*This Article is identical with Article* 2 *of the first counter-draft forming Annexure* 6, *and is not reprinted.*]

Article 3.

[*This Article is identical with Article* 3 *in the draft Treaty forming Annexure* 9, *and is not reprinted.*]

Article 4.

The territories which are in the hands of the Chiefs and Rulers enumerated at the foot of this Article, and which are bounded by the frontier demarcated in 1903, 1904 and 1905, shall remain under their rule as at present. His Highness the Imam recognises the special relations existing between those Chiefs and Rulers and His Britannic Majesty's Government, it being understood that this recognition does not abrogate the provisions of Article 3. His Highness the Imam undertakes that he will prevent, by all means at his disposal, any aggression by his forces on those territories, and any interference by his subjects with the affairs of the peoples inhabiting the Aden side of that frontier.

In accordance with the provisions of Article 3, nothing in the present Article is to be taken as signifying that His Highness the Imam has recognised the Agreement under which the above frontier was fixed.

[*Note.—Here follows a list identical with that following Article* 3 *of the Draft of August,* 1924, *as finally submitted to the Imam by the Resident, Aden* (*Annexure* 2).]

Article 5.

His Highness the Imam will apply to His Britannic Majesty's Government in the first instance for the selection of such engineers, doctors and other professional men, and of such medicines, machinery, telegraph and wireless plants as he may require. Likewise, if he should desire to undertake projects of an economic nature such as the construction of railways or harbours, or the exploitation of mines, or similar works, for which he may need foreign assistance, he will apply in the first instance to His Britannic Majesty's Government, who will be expected to supply him with his requirements at fair and moderate rates and with all possible speed. If, for any reason, His Britannic Majesty's Government are not prepared to meet His Highness the Imam's requirements, they will so inform him without delay, and in any case within four months of the receipt of his application. His Highness the Imam will then be free to apply for his requirements wherever else he may choose.

Article 6.

His Britannic Majesty's Government and His Highness the Imam shall each have an agent in the territory of the other, and each of the two agents shall have the same rights and privileges as are accorded to the other.

Article 7.

[*This Article is identical with Article* 6 *in the first counter-draft forming Annexure* 6, *and is not reprinted.*]

Article 8.

His Britannic Majesty's Government and His Highness the Imam shall each remain absolutely free to impose such duty on goods in their territory as they may wish; but each Government undertakes not to impose, on goods belonging to subjects of the other, higher duties than are imposed on goods belonging to subjects of any other Government.

Article 9.

His Britannic Majesty's Government declare that they will not interfere in any way in the dominions of His Highness the Imam; while His Highness the Imam declares that he will not permit the interference of any foreign Government in his dominions whether by sale, or mortgage, or gift or any other form of interference.

Article 10.

His Highness the Imam will, by every possible means, assist His Britannic Majesty's Government in their endeavours to prevent the African slave traffic by sea.

Article 11.

[*This Article is identical with Article* 13 *of the Draft Treaty forming Annexure* 9, *and is not reprinted.*]

Article 12.

The present Treaty will be known as the Treaty of San'a.

Article 13.

[*This Article is identical with Article* 16 *of the Draft Treaty forming Annexure* 9, *and is not reprinted.*]

Additional Article.

Every claim in any matter arising within the Imamic territories between the subjects of His Highness the Imam and the subjects of His Britannic Majesty shall be dealt with in the Imamic courts in accordance with the Islamic Shari'a and the principles of equity; similarly every claim in any matter arising within British territory between the subjects of His Britannic Majesty and the subjects of His Highness the Imam shall be dealt with in British courts in accordance with the principles of equity; it being understood that the subjects of His Britannic Majesty shall not enjoy less favourable rights and privileges than the rights and privileges enjoyed by the subjects of any other Power with whom His Highness the Imam might at any time conclude a Treaty.

ANNEXURE 11.

Record of Proceedings.

PRELIMINARY.

I arrived at San'a at midday on Sunday, the 24th January. I was accompanied by Mr. G. Antonius, the Secretary of the Mission, and by the following gentlemen in their various capacities:—

Lt.-Col. M. C. Lake, as Adviser on local matters.
Lt.-Col. M. S. Irani, I.M.S., as Medical Officer.
Mr. R. V. Kaikini, Reporter in the Legislative Council, Bombay, as Stenographer.
Sheikh Muhammad Salim, of the Aden Residency Office, as Interpreter.
Sheikh Yislam Ba-Ruwais, as Transport Officer.

There were also four servants in attendance.

2. I had started from Hodeida on the afternoon of Monday, the 18th January, and proceeded by motor-car to Bajil, where I stayed the night. There we exchanged the motor-car for the mule, which became our only means of locomotion for the rest of the journey. Leaving Bajil early on Tuesday, the 19th, we reached our destination in five stages, spending a night at each of the following places:—'Obal, Wisl, Menakha and Matna. Transport, consisting of mules and pack-camels, and an escort of 44 N.C.O's and men of the Yemen Army, in the charge of Sayyed Muhammad al-Muta', had been supplied by the Imam. The attentions and displays shown to us by officials on the way showed clearly that the Imam had spared no effort to give the Mission a friendly reception. On arrival at San'a we were taken to the house which had been allotted to us as a residence. Within half an hour the following gentlemen called to welcome the Mission on behalf of the Imam:—

Sayyid Abdullah ibn Ibrahim, President of the Theological College.
Sayyid Ahmad al-Kibsi, 'Amel of Bilad al-Rus.
Raghib Bey, Second Secretary to the Imam.
Qadi 'Abdul-Karim, Third Secretary to the Imam.

In conversation with Raghib Bey, I understood that the Imam was anxious to organise a display on the occasion of my first visit, and asked that I should postpone it so as to give time for arrangements to be made. The visit was accordingly fixed for the morning of Tuesday, the 26th January.

FIRST MEETING.

3. At 9 a.m. on Tuesday, the 26th, I proceeded to the Palace in the Imam's car, accompanied by Mr. Antonius and the interpreter. The reception was marked by a certain pomp and a large guard of honour paid the usual compliments. I was shown into a reception-room and, shortly after our arrival, the Imam came in. In attendance upon His Highness were the Qadi 'Abdullah al-'Amri, Chief Minister, Sayyid 'Abdullah ibn Ibrahim and Raghib Bey. After the presentations and a brief exchange of

greetings, the Royal Warrant was read out by myself and an Arabic translation by the interpreter. The Imam's reply was then read out by Raghib Bey. Its purport (in brief) was as follows:—

> "We note the contents of His Majesty's letter with extreme satisfaction and are particularly gratified that His Majesty should have seen fit to send so experienced and tried a person as yourself. . . . We believe in the fullest manner in the goodwill of His Majesty's Government towards us and in their desire to recognise the rights and independence of our nation whose existence, for over one thousand years, has spread itself over all those territories which form its inheritance. . . . You have been invested with wide powers enabling you to establish our clear rights, and we confidently hope you will be successful in your mission. We believe that an Agreement between us will pave the way for friendly sentiments in the Yemen towards Great Britain. . . . . We extend to you a more cordial welcome than is dictated by official custom. . . ."

The reading of the Imam's reply was followed by a further exchange of amenities, and the Imam thereupon withdrew, leaving us to exchange informal conversation and partake of refreshments with the members of his suite.

Second Meeting.

4. The second meeting took place at 9 a.m. on Thursday, the 28th January. I had previously asked the Imam's leave to present to him the other senior members of my party, Lt.-Col. Lake and Lt.-Col. Irani. Accordingly, they accompanied me and were formally presented to the Imam, who said a few suitable words of welcome to each, after which they retired. I was then informed by Raghib Bey that the Imam had expressed a desire that the opening of the negotiations, which was due to take place at once, should be attended by the Imam, myself and Mr. Antonius, to the exclusion of anyone else. Thereupon everyone withdrew, and the three of us were left alone.

5. The Imam opened the conversation by stating that he confidently hoped that our discussions would be fruitful, and that he believed that the question at issue was a simple one. It resolved itself into a question of mere justice. The independence of the Yemen throughout the ages was a patent fact, more especially since the country had, some 1,060 years ago, fallen to the lot of the present ruling House. It was true that the Turks had occupied it and that they had behaved as if they were masters of it. But it was equally true that the people had always resented and opposed the Turkish usurpation and that on three separate occasions the Turks had been driven out with great loss. He wished to appeal to my sense of justice, and he had no doubt that, thanks to the very wide powers with which I was invested, I should be able to conclude an agreement based on an impartial recognition of those rights which, in the view of all those who knew the history of the Yemen during the last 1,000 years, must be held to be clear and indisputable. He wished also to ask that

I should give special consideration to his own position towards his subjects, and hoped that the demands of the British Government might be confined to matters which would be acceptable to his people. He concluded by saying that, from what he had heard of my record, he looked upon me as a person who had had considerable experience of, and was sympathetically inclined towards, the Arab peoples; and that he wished me to consider the questions at issue with the eyes of an impartial arbiter and a friend.

6. I replied by thanking His Highness for his kind references to me, and by expressing the belief that, since he had placed the discussion on such a plane of friendship and goodwill, agreement would be considerably facilitated. I then pointed out, with reference to His Highness's remarks about my powers, that, although these were wide, they were governed by a policy which His Majesty's Government had laid down after very careful consideration. With regard to independence, I assured the Imam that there was no question of His Majesty's Government not recognising him as a fully independent ruler. The mere fact of their sending an envoy armed with such powers as those which I possessed showed clearly that they looked upon him as the ruler of an independent country. Moreover, the Draft Treaty which had been communicated to him contained specific recognition of his independence. I added that, if the proposed Treaty were to be signed, similar recognition by other Powers would be facilitated, and His Majesty's Government would no doubt give the Yemen every possible assistance towards securing the tangible results of such recognition in regard to postal and telegraphic communication and like matters of international import.

7. The Imam replied that he was much gratified to hear my assurance. The whole question, he repeated, was one of justice and fair treatment. He would ask me to look upon his country as an ailing body and on myself as its physician, and he was willing to leave it to me, to my knowledge and sense of justice, to apply the proper remedy. He would suggest that I should consider the matter afresh in that light, and let him know in a day or two the conclusion to which I would come. He urged that the question of the protected tribes was one which could best be settled by a frank admission of the Imam's rights over them.

8. I replied that I was much flattered by the trust which His Highness seemed to place in me, but that I should be doing him a disservice if I accepted his suggestion and left him with the impression that the Draft Treaty was liable to radical revision. It would not be right to raise false hopes. The draft was the outcome of long negotiations and represented the considered policy of His Majesty's Government. Like all drafts, it was liable to certain modification; but there were two points of principle which could not be abandoned. These were the Protectorate Boundary and the Protectorate Treaties. His Highness had said that the question of the tribes could best be settled by allowing him to extend his rule over them. In saying this he overlooked the fact that His Majesty's Government had certain definite obligations towards those tribes, which they felt found to honour.

9. The Imam said that he fully appreciated the point, and he believed the honouring of pledges to be a sacred duty. He believed this in spite of the fact that Great Britain had found it possible to establish the Jews in an Arab country, contrary to Arab wishes and in the teeth of previous pledges solemnly made to the Arabs. But he did not wish to press that point. All he wished to say now was that he requested me earnestly to treat him as a friend and to examine the whole question with the eyes of an impartial arbiter who had the interests of both parties at heart.

10. In my reply I thought it preferable to ignore the Imam's reference to Palestine, and contented myself with a general statement about the position and interests of Great Britain in the Red Sea, emphasising the fact that His Majesty's Government were not moved by any desire of acquisition, and hinting that His Highness was sagacious enough to recognise the importance to his country of friendship with Great Britain. I added that I looked upon my Mission as one in which it was my duty to consider His Highness's interests as well as those of my country.

11. His Highness then thanked me and asked me to name a time for another meeting. I said that I was at his disposal and that, were it not Friday, I should have suggested a meeting on the following day. The Imam said that he would prefer Saturday morning at the same hour, and I thereupon took my leave.

THIRD MEETING.

12. The third meeting took place at 9 a.m. on Saturday, the 30th January. I was accompanied by Mr. Antonius, while the Imam had Raghib Bey in attendance throughout the interview. The Imam began by asking me whether I had considered matters and could give him the result of my examination. He jokingly added that he and his country were invalids and that he looked upon me as the physician who could cure their ailments. In reply I said that further consideration had further convinced me that it lay with the Imam himself to take the step which, by leading to the conclusion of an Agreement, would establish the relations of the two countries on a peaceful and a friendly footing. I reiterated my previous statement that the Draft of August, 1924*, represented the considered policy of His Majesty's Government, and made it clear, once more, that it was based on principles which Great Britain had every intention to uphold. I went on to say that, in considering whether or not to conclude the proposed Agreement, His Highness was surely aware that the choice before him lay between a continuation of the present unsatisfactory state of affairs, possibly aggravated by a rupture, and a state of affairs in which, while retaining his independence, he would gain the friendship and the help of Great Britain and strengthen and improve conditions in his country.

13. The Imam replied by expressing his satisfaction with what he understood to be the intentions of His Majesty's Government towards him, and then followed a somewhat long and diffuse discourse, interlarded with a flow of compliments, which left no doubt in my mind that it was not His Highness's intention at this meeting to embark upon a business-like discussion of the ques-

* Annexure 2.

tions at issue, and that he was only continuing the process of sounding me. I therefore asked him what proposal he had to make for the opening of negotiations on the specific points, and he replied by asking me whether I would agree to appoint a delegate on my part, and name one to represent him (the Imam) for the purpose of examining the question in committee. I replied naming Mr. Antonius as my representative, but declined to suggest who the Imam's delegate should be. His Highness said that he would consider the choice of his own representative later and would let me know.

14. When the Imam had withdrawn, I asked Raghib Bey to inform him that Mr. Antonius would be ready to meet His Highness's representative as soon as was agreeable to him. In spite of my hint, however, the gentlemen appointed by the Imam did not present themselves till two days later.

FOURTH MEETING.

15. The Imam's delegates were three in number:—

Sayyid 'Abdullah ibn Ibrahim, Qadi 'Abdullah al-'Amri, and Raghib Bey,

and the fourth meeting was held in our house at 9 a.m. on Monday, the 1st February.

I opened the meeting with a few words of welcome and then said that I proposed to leave these gentlemen to discuss matters with Mr. Antonius, who was fully conversant with my views and with the facts of the case, and would be able to conduct the conversation in Arabic, a great saving in time. Thereupon, I withdrew, adding that I should be in the house in case the necessity for reference arose. Subsequently, Mr. Antonius submitted the following report of the conversation which had taken place:—

Report by Mr. Antonius.

16. The meeting lasted two hours. Sayyid 'Abdullah opened the proceedings by a long discourse in which he repeated the familiar arguments relating to the Imam's historical rights. I replied to the effect that the question immediately before us was whether the Imam was prepared, in principle, to come to terms on the basis provided by the Draft of August, 1924*. I said that the Draft represented the considered policy of His Majesty's Government and rested on principles which they had no intention of abandoning. In spite of the fact that the Draft had been presented some sixteen months ago, no definite expression of opinion had been received from the Imam with regard to its contents. The first step, therefore, seemed to me to find out what and where the differences were, and I suggested that this could best be done by taking the Draft and examining it together in committee, point by point. To this the Qadi 'Abdullah replied that it would be preferable to negotiate without the Draft so that we might approach the question with a clear vision. He went on to say that the points of difference were not numerous, and he hoped that agreement could be reached notwithstanding those differences. From the Imam's point of view, the question was a very simple one of justice and truth. All that he asked for was

* Annexure 2.

the due recognition of his ancient rights over the whole of the Yemen, including Aden. If only this were recognised, he would be prepared to concede various points which now formed a stumbling-block to agreement.

17. I replied by suggesting that we should concentrate on the facts rather than on the historical rights or wrongs of the case. I said that I did not think it profitable to embark upon a controversy about the historical side of the question, but that I begged them to consider, rather, the hard facts of the situation. Then I spoke about Great Britain's position at Aden and her obligations towards the tribes in the Aden Protectorate. I added that these were two facts which for practical purposes had as much value as volumes of historical arguments, because they were concrete facts which no one could overlook. And I pointed out that the Draft of August, 1924, did not ask the Imam to do more than recognise what every observer could see for himself, namely, the necessity of facing those two facts. I begged of them to think this over and to believe that there was nothing in the intentions of the British Government that contained any but the most friendly intentions towards the Yemen and the prosperity of its people. I also impressed upon them the advisability, since they could not obtain all their demands at once, of contenting themselves with what they could obtain, leaving it to time and to their friendship with Great Britain to bring about a fuller realisation of their aspirations. Finally, I pointed out to them that the choice before them lay between the conclusion of an agreement with all the tangible benefits that would accrue to their country, and between a rupture of negotiations with all the unfortunate consequences that that might entail.

18. Sayyid 'Abdullah replied by saying that my statement had given them additional reason to believe in the good intentions of the Mission, and that he would like to think matters over with his colleagues. The meeting then adjourned until the following day.

G. A.

Fifth Meeting.

(Report by Mr. Antonius.)

19. The fifth meeting took place at 9 a.m. on Tuesday, the 2nd February, and was attended by the three delegates and myself. Sayyid 'Abdullah made a statement of a general nature in which he said that he and his colleagues had considered the subject of yesterday's conversation very carefully and had discussed it with the Imam. They were authorised by the Imam to say that he had every confidence in the intentions of the Mission and that he looked to the Mission to devise some form of agreement which might reconcile the conflicting demands of both parties. The Qadi 'Abdullah then added that the Yemen was an invalid and the Mission the physician to whom the country looked for a cure. I was then invited to make a statement.

20. It seemed clear by that time that the line of conduct of these gentlemen, wherein they probably took their cue from the Imam, was to avoid showing their hand and continue the process

of sounding us. Even when questioned directly, their answers were enveloped in an opaque tissue of polite generalities that lacked any tangible meaning. It appeared necessary, therefore, at this stage to press effectively for a clear expression of opinion on their part.

21. I said that the Imam had already referred to the Mission as the physician for the country's ailments, and this was a distinction which was very flattering to the Mission. At the same time, I could not help noticing that the invalid Yemen had not only refused the prescription prepared for him in the shape of the Draft of August, 1924, but had also failed to explain his objections to it. I added that if they persisted in not formulating their objections on specific points, I failed to see how any progress could be made. I pressed them to consider the Draft Treaty point by point and to indicate their objections wherever they lay. The Qadi 'Abdullah replied that they would do so and would communicate with me on some future date. I answered that there was no need for postponement, since I had a copy of the Draft at hand. This was brought out and when the Qadi 'Abdullah had read it out aloud, slowly and deliberately, discussion began.

22. By common agreement, Article 3 was taken first, and for the remaining hour the discussion centred round its contents. The delegates were of opinion that this Article meant the signing away of the Imam's rights to the Southern Yemen in perpetuity. I held that it contained the minimum that would satisfy the principles laid down as fixed by the British Government, and endeavoured to lead the discussion along the lines of seeking some other wording which might be acceptable to the delegates. At length, the latter said that they would consider the wording by themselves and prepare a counter-draft which they would bring on the following day. Thereupon, the meeting came to an end (12.15 p.m.).

G. A.

Sixth Meeting.

(Report by Mr. Antonius.)

23. The sixth meeting was held at 9 a.m. on Wednesday, the 3rd February, and was attended by the three delegates and myself. On my asking for the promised counter-draft, Sayyid 'Abdullah said that he had spent a long time with this colleagues on the previous day searching for a formula that would satisfy both points of view, but without success; and that they had therefore decided to ask the Mission, who had so much more experience than they had, to provide the required draft. This seemed only another illustration of the policy of evasion, and I replied by asking firmly for the counter-draft. The delegates consulted among themselves, and then said that they would there and then prepare their counter-draft.

24. After half an hour of whispered discussion, which took place while I sat on one side, the delegates handed me their counter-draft to Article 3. Its terms will be found in Annexure 5. When I had read it, one of the delegates expressed his satisfaction

that a formula had at last been found which satisfied the two points of view. Thereupon I said that I had not intended to express an opinion without reference to Sir Gilbert Clayton first, but that since such astonishing optimism had been expressed, I felt bound to say there and then that, in my own opinion, the counter-draft before us was unacceptable and did not even provide a basis for discussion. I asked them, however, to await a final opinion after reference to Sir Gilbert Clayton and I requested that, in the meanwhile, they should prepare a complete counter-draft of the whole treaty, so that their opinion might be placed on record. The meeting then rose (10.30 a.m.).

G. A.

Seventh Meeting.

25. The seventh meeting was held on Saturday, the 6th February, and, as Mr. Antonius was unfortunately ill with an attack of fever, I received the Imam's representatives myself, Sheikh Muhammad Salim being present as interpreter. I opened the proceedings by stating that Mr. Antonius had informed me of the result of their previous discussions and that the attitude which he had taken up was fully in accordance with my views. I further informed the representatives that I was unable to accept the draft of Article 3 which they had submitted to Mr. Antonius at the last meeting and that I had hoped that, after three days' deliberation, they would be in a position to put forward proposals which would form a basis for discussion.

26. Qadi 'Abdullah then made a long and rambling speech, in which he repeated much of what he had already said to Mr. Antonius at the previous meetings. He was followed by Sayyid 'Abdullah ibn Ibrahim who spoke in a similar strain, but who also failed to produce anything in the shape of concrete proposals or even suggestions.

27. I felt that these vague generalities were probably a prelude to something more definite and my surmise was proved correct when, at the conclusion of Sayyid 'Abdullah's discourse, the Qadi produced a document which he informed me contained their counter-draft of a complete treaty (Annexure 6).

28. I did not read or discuss this document at the time, but informed them that I would consider it carefully and discuss it with the Imam himself. I then closed the meeting by giving them a brief statement of the principles which His Majesty's Government had instructed me to maintain and on which any agreement must be based, expressing the hope that the terms of their counter-draft would not prove to be incompatible with those principles or differ materially from the Draft of August, 1924, which had already received the considered approval of His Majesty's Government.

Eighth Meeting.

29. The eighth meeting was held at the Palace at 9 a.m. on Tuesday, the 9th February. There were present the Imam, Raghib Bey, Mr. Antonius and myself. I opened the proceedings by informing His Highness that the counter-draft presented

by his delegates on the previous Saturday, far from meeting the wishes of His Majesty's Government in a practical manner, had shown that there was a wide divergence between the two points of view. I regretted to have to say that it did not even provide a basis for discussion. That was why I had interrupted the conferences with his delegates and had asked for an interview with His Highness himself. It was my painful duty to inform His Highness that I could not see my way to any agreement, if that counter-draft really did represent his considered reply, and that I must reluctantly take my leave.

30. The Imam replied at some length and with a certain display of concern, and begged me to explain to him in what particulars he could amend his attitude so as to make it fall in with the views of His Majesty's Government. He reiterated his profound desire for a treaty of friendship and his conviction that there were no insuperable difficulties in the way of our concluding such a treaty. All that he would ask was that due regard be had to his position among his subjects. There was a considerable and powerful public opinion in his country, and there was a deeply-ingrained belief among his subjects that the Aden Protectorate was an integral part of the Yemen. His Highness argued that he could not possibly go beyond a certain point against that current. He would go as far as he could, and he would willingly sign and respect a treaty of friendship and peace; but to sign away the rights of the Yemen to portions which his people looked upon as of their inheritance was a thing which he could not and would not do. He concluded by appealing to me to consider the matter again and to try to find some means of reconciling the two points of view. He was confident that, since both sides were anxious for a friendly settlement, it ought to be possible to come to some understanding.

31. I replied that since His Highness had expressed himself so warmly in favour of an agreement, I could only hope that some agreement would result. But the only possible way would be by discarding the counter-draft presented on his behalf by his delegates, and accepting, as a basis for agreement, the draft presented by His Majesty's Government. I added that in deference to His Highness's request I would again review the whole situation and endeavour to suggest a practical solution within the next twenty-four hours. His Highness expressed his gratitude and a meeting was fixed for the following day.

32. I then referred to the subject of our departure and asked His Highness whether he would kindly give the necessary orders to enable us to leave by the beginning of the coming week. I pointed out that, whatever the outcome of our further deliberations, whether or not an agreement was concluded, we ought to be in a position to leave in a few days. I also asked him whether he had any objection to our returning to Aden by the overland route. His Highness replied that he had no objection whatever, and that he would give all the necessary orders. Our departure was then fixed for Monday, the 15th February.

Ninth Meeting.

33. The ninth meeting took place at the Palace at 9 a.m. on Wednesday, the 10th February. There were present the Imam, Raghib Bey, Mr. Antonius and myself. I made a statement in which I informed the Imam that, after a very careful review of the position, I had drawn up an alternative draft which went a long way towards meeting the wishes he had expressed at yesterday's meeting, in that it specifically reserved for future settlement his claims to suzerainty over certain territories, without, however, admitting their validity in any way. I then asked Mr. Antonius to read out an Arabic translation of my proposal (see Annexure 7). After a short conversation, in which I explained to the Imam that this draft was to be considered as my final offer, to be accepted or rejected without further discussion of the principle embodied in it, I took my leave on the understanding that another meeting was to be held on the following day at which His Highness would give me his reply.

Tenth Meeting.

34. The tenth meeting was held at the Palace at 9 a.m. on Thursday, the 11th February, with the same attendance as previously. The Imam stated that he had read my last draft and that he considered that, in principle, it met the case. He had, however, two observations to make. In the first place, he would prefer the clause about evacuation to be removed from the Treaty and to form the subject of a separate understanding. He would ask for this only in case the proposed Treaty were likely to be published; but if it were to remain a secret treaty, then the clause might be retained in its place. The second point was that he felt unable to evacuate the Dhala region. He argued that the feeling in the country made it out of the question for him to give it up after five years of occupation during which the administration had been organised on permanent lines, order had been restored to a degree unknown before in the history of Dhala, and the people of that region were unanimous in wishing him to remain. On the other hand, he was prepared to consider the rights of the Amir of Dhala, who had a treaty with His Majesty's Government, and he was willing to reinstate him in his Amirate and restore his former prerogatives as far as possible.

35. I replied that, with regard to the question of publicity, there would be no objection to removing the clause relating to evacuation from the body of the Treaty and making it the subject of a separate undertaking. But with regard to the Dhala region, I pointed out to the Imam that non-evacuation would be a breach of one of the principles laid down as fixed by His Majesty's Government, namely, withdrawal from the Protectorate, and that I could not consent to it. A discussion ensued, and at length it was agreed that the work of drawing up a joint draft for signature should proceed at once, while I would have a further meeting with His Highness on the subject of Dhala on the following Saturday. I then asked the Imam to arrange for his representatives to meet Mr. Antonius as soon as possible so that the work of drafting might begin without delay, and suggested also

that, although the next day was a Friday, the task should proceed without interruption. His Highness agreed and said that he would send his representatives in the afternoon, and I thereupon took my leave.

Eleventh, Twelfth and Thirteenth Meetings.

(Report by Mr. Antonius.)

36. The subsequent three meetings took place in the afternoon of Thursday, the 11th February, the morning of Friday, the 12th and on Saturday, the 13th. They were attended by the three former delegates with the addition of the Qadi 'Abdul-Karim. The primary object of those discussions was to draw up a new draft treaty based on the offer made by Sir Gilbert Clayton to the Imam. I suggested that the best procedure would be to take the Draft of August, 1924, clause by clause, and consider what amendments would be required to bring it into line with the principle of the offer. This was opposed by all the delegates in unison, but after some discussion the suggestion was adopted.

37. The principal obstacle to progress lay in the insistence of the delegates on obtaining some kind of acknowledgment of the Imam's suzerainty over the Protectorate. They reiterated the usual historical justification of their claim and laid stress on the fact that the Yemen had never accepted Turkish rule and could not recognise any of the obligations incurred by the Ottoman Government as binding on the Imam. They declared that, in their opinion, Aden and its hinterland belonged to the Yemen, and that they could not consent to any treaty that did not contain some more or less explicit recognition of that fact.

38. As will be seen, the attitude of the delegates was even more difficult to reconcile with the views of His Majesty's Government than that of the Imam himself, and called for a clear and unequivocal statement of the position. I told these gentlemen that I was surprised, after the liberal offer made by Sir Gilbert Clayton and its acceptance by the Imam, to hear them advance such claims. I explained to them, in as temperate a wording as I could find, the futility of their extending their claims to Aden. I also thought it necessary to try and restore their argument regarding the invalidity of obligations incurred by the Ottoman Government to a more exact perspective. I pointed out that, while it was recognised that the Yemen had always resented and opposed Turkish domination, it was equally true that the inhabitants of the country had accepted to elect deputies to represent them in Constantinople, and that members of the leading families of the Yemen* who had been thus elected, had not abstained from taking their seats in the Ottoman Chamber on exactly the same footing as other representatives of vilayets of the Ottoman Empire. The argument that the Turks were never recognised in the Yemen was therefore one which could not be pressed beyond a certain point. I ended by appealing to the delegates to approach the questions at issue from the more prac-

* Among those was Sayyid 'Abdullah ibn Ibrahim who had been returned twice as a deputy for the Yemen.

tical point of view of how best to devise an agreement based on the principle suggested by Sir Gilbert Clayton and accepted by the Imam.

39. The discussions occupied three long sittings and resulted in a certain measure of agreement being reached and a draft prepared. A few of the outstanding points were reserved by the delegates for reference to the Imam, and it was agreed that the next step would be for Sir Gilbert Clayton and the Imam to hold a meeting for the liquidation of those differences.

G. A.

FOURTEENTH MEETING.

40. The fourteenth meeting was held at the Palace on Sunday, the 14th February, with the same attendance as previously, namely, the Imam, Raghib Bey, Mr. Antonius and myself. I informed the Imam that Mr. Antonius had had long discussions with his delegates during the previous three days and had eventually come to agreement in regard to a draft of the Treaty with the exception of a few points which they had decided it was necessary to defer for discussion between His Highness and myself. I should, therefore, be glad to go through those points with him and endeavour to come to a settlement in regard to them. Two or three of the points, which were not of particular importance, were satisfactorily settled, and we then came to the sentence in Article 4 in which the Imam agreed to recognise the Protectorate Treaties. This question gave rise to a long discussion and the Imam still maintained that it was not possible for him to recognise treaties which had been made at a time when he was unable to exert those rights that he claimed to be his. I maintained, however, that I could not admit any wording which would place in doubt the position of Great Britain in regard to the tribes with which she held these treaties, and I begged that His Highness would think over the question very carefully and see whether he could not find a way of meeting my views.

41. The next question on which a serious difference of opinion arose was that of the language in which the Treaty should be concluded. I had proposed that it should be drawn up in English and in Arabic and that both versions would have equal validity, but that in case of any difference arising the English version would prevail. The Imam expressed himself with some vehemence as entirely unable to subscribe to this proposal as he must refuse quite definitely to put his name to any document which was written in a language which he did not understand. He urged that Arabic should be the only text, in view of the fact that there were no persons in the Yemen who were sufficiently conversant with English to enable them to appreciate the meaning of an English version. I informed His Highness that this was an important point on which I could not give way to his views, but that I would consider it carefully and see whether any compromise was possible.

42. The other points raised were those concerning two articles which the Imam's representative had wished to insert, the first emphasising the independence of the Yemen by enumerating a

number of spheres of action in which the Imam would be free to do as he liked, and the second stating that Great Britain would undertake to assist the Imam in the matter of the repair of the submarine cable between Sheikh Sa'id and Perim. After some discussion the Imam agreed to leave out both these articles, as I pointed out to him that the first one was unnecessary and would only make the Treaty cumbrous and overloaded, while the second one was a matter which could more suitably be arranged by correspondence between the two Governments.

FIFTEENTH MEETING.

43. The fifteenth meeting was held at the Palace at 9 a.m. on Monday, the 15th February, the attendance being as usual. The previous evening I had received a complete draft treaty from the Imam, which purported to embody all the points on which agreement had been arrived at up to date, not only in the course of my meetings with His Highness but also during the lengthy discussions which Mr. Antonius had carried out with the Imam's representatives. On studying this draft I had discovered that it was entirely unacceptable. No note had been taken whatsoever of many important points on which agreement had been arrived at, and the draft as a whole was scarcely different to that which had been submitted previously and which had been held to be entirely unacceptable and not susceptible even of discussion. I decided, however, to ignore this draft altogether and to carry on discussions from the point at which we had left off at the previous meeting.

44. This course of action proved successful in that the new draft did not come directly under discussion throughout the meeting. We continued the discussion of the draft of Article 4, on which no agreement had been arrived at on the previous day, and after some argument and the submission by the Imam himself of various formulæ in an endeavour to meet both points of view, we eventually reached a stage at which I considered that it would be possible for me to put up a final draft representing my last word in the matter. I had taken the opportunity during the conversation of making it quite clear to the Imam that I could not admit any wording which would throw doubt on, or in any way weaken, the position of His Majesty's Government in regard to the Aden Protectorate; I had gone as far as to agree to a reservation of the question of His Highness's claims for future discussion without prejudice to the standpoint of either party but I could not agree to any wording which would cast the slightest doubt on the present position of Great Britain. The Imam again wished to insert the clause emphasising in detail the independence of the Yemen, and I informed him that, though I did not consider it in itself objectionable, it appeared to me awkward and superfluous.

45. The Imam then requested that a clause should be inserted in the Treaty by which His Majesty's Government would undertake to punish, and exact due reparation from, tribes who committed aggression into his territory from the Aden side of the boundary. He urged that if he was precluded from retaliation

His Majesty's Government should take the responsibility of controlling and punishing their offending tribes. The argument was a fair one and I agreed to consider the framing of a clause which would meet the case.

46. Finally, we discussed the question of the language in which the Treaty should be concluded, and I proposed that it should be drawn up in parallel columns of English and Arabic and that His Highness should sign below the Arabic column, Mr. Antonius adding a certificate to the effect that the two texts were, as far as it was possible to make them, identical. The Imam appeared satisfied with this arrangement, and the meeting then came to an end, having lasted over three hours.

SIXTEENTH MEETING.

47. The sixteenth meeting was held at the Palace at 9 a.m. on Thursday, the 18th February. I was accompanied by Mr. Antonius, while the Imam had Raghib Bey in attendance. In the interval between the fifteenth meeting and this, I had presented His Highness with a fresh draft of the proposed Treaty (see Annexure 9). The conversation which took place at this meeting is fully summarised in paragraphs 30-32 of my report.

SEVENTEENTH MEETING.

48. The seventeenth meeting was held at the Palace at 9 a.m on Saturday, the 20th February, with the same attendance as previously. A full account of the conversation which took place will be found in paragraphs 34-36 of my report.

EIGHTEENTH MEETING.

49. The eighteenth and last meeting was held at the Palace at 10 a.m. on Sunday, the 21st February, when I went to take formal leave of the Imam. I was accompanied by Mr. Antonius, and was received by His Highness with even greater ceremony than on my arrival. Throughout the interview, the Imam maintained an attitude of the greatest cordiality, and expressed the hope that negotiations would be resumed eventually. A summary of the interview will be found in paragraph 37 of my report.

C.8875/26.

No. 2.

Sir Gilbert Clayton, K.C.M.G., &c., to the Secretary of State for the Colonies.

London, 6th April, 1926.

SIR,

I have the honour in connection with my report, dated 6th April, 1926,* on the results of my recent mission to San'a, to submit a memorandum on the subject of the Aden Protectorate.

The memorandum was drawn up at a time when I thought it possible that an agreement with the Imam might be concluded, but failure to achieve that agreement has not altered my views in regard to the general situation.

* No. 1.

It is true that the attitude which the Imam has taken up has, for the time being, complicated the situation, and it may well be that His Majesty's Government will decide that no other course remains open than that of expelling him from the Protectorate by force.

At the same time, I regard this as merely a passing phase. I believe that the Imam is in reality sincerely desirous of establishing friendly relations with His Majesty's Government but that various factors, which time and experience should remove, have forced him to assume an attitude which has made it impossible for me to conclude a satisfactory agreement with him at the present stage. It must be remembered that the Yemen is unique in that many of its people are highly intelligent and educated in a certain sense, while at the same time their country has remained for centuries so remote and secluded from the world that arguments which seem obvious to the ordinary mind cannot enter into the comprehension of men who have never travelled more than a few miles from San'a itself. Further, the military experience of the people of the Yemen is confined to constant revolt against the Turkish Empire, which was on the whole, and sometimes very strikingly, successful; an ultimately victorious campaign against the Idrisi of Asir; and a not unfruitful policy of aggression and encroachment on the Aden Protectorate, which is held by a power which they have seen apparently penned within the limits of the fortress of Aden for something like five years by a small and poorly equipped Turkish force. Add to this the pride engendered by many centuries of domination which, though subject to various changes of fortune, has nevertheless been continuous, and it is not difficult to understand why the Imam has—I believe against his better judgment—been forced by public opinion to adopt an attitude which has rendered difficult for the moment the conclusion of any agreement compatible with British honour and prestige.

I am convinced that, despite the present difficulties and complications of what, as I have already said, I regard as a passing phase, the sound policy in the long run will be to aim at friendship and close co-operation with the Imamate of the Yemen, which is one of the few societies in Arabia which is proved by history to contain the elements of stability.

The immediate situation is full of difficulty and it is not easy to see how the Imam can be brought to his senses other than by a display of determination, or even of force, on the part of His Majesty's Government, but I am constrained to urge that the ultimate aim should be to establish close and cordial relations with an institution which has behind it a tradition of some 1,000 years and which shows no sign, as far as I can see, of disintegration or decay.

I have, &c.,

GILBERT CLAYTON.

Memorandum.

An examination of the situation in the Aden Protectorate leads to the conclusion that a policy which was formulated in the early part of the last century, when conditions were very different, no longer meets the needs of the situation. On the contrary, it entails responsibilities, which it is impossible to discharge adequately in existing conditions without increased military and administrative expenditure.

2. The Aden Protectorate is approximately enclosed between a line running north-east from a point on the coast opposite the island of Perim and the south-eastern coast line of Arabia, the base of the triangle being closed, as far as the Yemen is concerned, by the uninhabited desert of the Rub 'el Khali. Apart from a limited area round Aden itself, which is definitely in British possession and under direct British administration, the Protectorate is divided into nine main divisions, and it is only on the paramount Chiefs of these divisions, all of whom draw stipends from His Majesty's Government, that the authorities at Aden can rely for the control and direction of the tribes. The resources at the disposal of the Resident at Aden preclude any other course of action, and in theory the policy may appear based on sound principles. In practice, however, it is unworkable and unproductive. Each division or tribe is sub-divided into many smaller tribes, whose allegiance to the paramount Chief is frequently only nominal and often non-existent, influenced as it is by the personal character and ability of the paramount Chief himself and the ever-changing circumstances of tribal feud and intrigue. This is especially the case in the northern districts bordering on the Yemen frontier, some of which are distant as far as 200 miles from Aden, where British control is entirely unfelt and where each tribe and sub-tribe is practically a law unto itself.

3. In these conditions it is not easy to see how the responsibilities for the preservation of law, order and defence which are implied by the existence of the Protectorate are to be discharged adequately without a permanent, and perhaps increasing, extension of administrative and military activity.

4. It has been urged that the Protectorate, as it now exists, is an important factor in the defence of Aden; that it interposes a buffer against any hostile attack by land; and that it ensures timely warning of such an attack. There is some force in these arguments, but the advantages which they claim hardly compensate for the embarrassment and even danger which is threatened by a continuance of the present state of affairs. The frontier tribes lack cohesion and have no particular incentive, other than the passing inclination or advantage of the moment, to remain loyal. They would be quite unable as at present organised to combine to resist any serious attack and would without doubt, and very naturally, adopt an opportunist policy, as was the case when the Turks attacked Aden in 1915. If these military advantages are to be secured, it can only be by establishing real control over the tribes and having such a force at Aden

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as will show them clearly which side it is to their advantage to take. As regards the receipt of timely warning of any projected attack, the normal relations between the tribesmen and Aden, which is the commercial centre of the whole of that part of the country, should always be such as to enable an efficient Intelligence Service to procure all the information it requires.

5. There remains the argument that Great Britain is bound to the tribes by treaty obligations which cannot in honour be disregarded. This is perfectly true, and it is for this reason that it was essential to insist that the Imam should formally recognise those treaties and respect the boundaries of the present Protectorate. It is submitted, however, that it is not necessary that these tribal treaties should be continued indefinitely, despite all changes in circumstances and conditions.

6. The treaties with the more important chiefs, such as the Sultans along the coast and especially the Abdali Sultan of Lahej, are of long standing and their relations with His Majesty's Government through the Resident at Aden have been close and on the whole satisfactory.

7. The Protectorate Treaties with the tribes in the northern mountainous portions of the Protectorate, however, are almost without exception of the simplest possible nature and have the disadvantage that they throw all the obligations on to His Majesty's Government with, as far as can be seen, little or no compensating benefit. They usually contain four material clauses only: the first extending the protection of His Majesty's Government, with its consequent burden of responsibility and possible future commitment; the second and third binding the tribe not to enter into relations with, or cede, mortgage, lease, hire or give any of their territory to any foreign power; and the fourth requiring the tribe concerned to maintain security on the roads in return for a small monthly stipend.

8. The reasons for the provisions of the second and third articles in the case of coastal tribes are evident, but their force in the case of the mountain tribes in the interior is not apparent; moreover, should the tribes in question fall eventually under the rule of the Imam of the Yemen, the case could be covered by a suitable article in a treaty made with him.

9. The provisions contained in the fourth clause are self-contained and independent of the remaining articles of the instruments, being merely a statement of the payment to be made for services rendered.

10. In the light of the above observations, I venture to urge that a comprehensive reconsideration of policy in regard to the Aden Protectorate is a matter of urgent necessity.

11. Whatever the limit placed to the area of the Aden Protectorate, measures must be taken to increase the administrative and financial resources at the disposal of the Aden authorities to an extent which will enable them to exercise such a measure of control and direction over the tribes as will ensure the maintenance of law and order, and secure the defence of the frontier by promoting real cohesion and solidarity among tribes who are at present lawless, isolated and riddled with local dissension and intrigue. This policy may in the end approach very nearly to annexation and direct administration, and the expense entailed will be in a proportion to the size of the Protectorate.

12. If it is decided to adopt a policy by which the Protectorate is contracted to the narrowest limits consistent with treaty obligations and long-standing connexions, military necessities and the capacity for proper and economical administration, then no time should be lost in formulating that policy and deciding on the methods to be employed for carrying it into effect. In any case, I venture to suggest that the first step should be a careful review of all the Protectorate treaties and of our past relations with the various tribes. On the basis of the results obtained from this examination, and taking due note of military, administrative and financial requirements, it should be possible to form a general idea of what limit to the Protectorate is essential. It will then, I submit, be necessary to fix a limit to the term of all the Protectorate Treaties, or at least to all those which will not indubitably fall within the revised boundary of the Protectorate.

13. The tribes will then know exactly how they stand and it will be for them, either to coalesce and form a responsible body with which His Majesty's Government can reasonably enter into discussions regarding revised agreements, or to see their treaties lapse at the expiry of the fixed period.

14. It will, perhaps, be argued that the result will be that those tribes who drop out of the Protectorate will fall under the rule of the Imam of the Yemen. Provided really friendly relations can be established with the Imam, I see no grave objection to this consummation. On the contrary, it presents many advantages. The tribes are unlikely to do otherwise than benefit by being under a ruler of undoubted authority and one who—as far as I have been able to observe—is comparatively enlightened and desirous of promoting the prosperity of his country; moreover, arrangements should be possible by which the Imam would undertake to preserve the interests of ruling chiefs.

15. The embarrassment, even menace, to Aden from a ruler in the Yemen who is nursing a perpetual grievance at being deprived of territory which he considers is his by right of history, and who has every opportunity of stirring up trouble among tribes over whom British control is either slender or non-existent, is greater than that from one with whom His Majesty's Government is on friendly terms and who is bound to Great Britain by a treaty; and who has a long tradition behind him and a considerable measure of control and authority over his tribes and who can, therefore, be held responsible for their misdeeds; and who, in the last resort, can be coerced with the minimum expenditure of men and money by naval action against his ports on the Red Sea, and by air action from Aden and Kamaran.

16. I suggest that, if the Imam of the Yemen will show a real desire to meet the requirements of His Majesty's Government and to enter into amicable relations, it will be sound policy to cultivate his friendship, even at a certain sacrifice, and thus secure the co-operation and confidence of the only power who appears capable of maintaining peace and order on the south-eastern coasts of the Red Sea.

GILBERT CLAYTON.

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Mr A. J. Hardinge.

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MIDDLE EAST.
No. 11.

CONFIDENTIAL

'IRAQ.

REPORT OF THE HIGH COMMISSIONER ON THE DEVELOPMENT OF 'IRAQ, 1920–1925.

COLONIAL OFFICE,
August, 1926.

Printed for the use of the Colonial Office.

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'IRAQ.

REPORT of the High Commissioner on the Development of 'Iraq, 1920–25.

37753/25.

To the Right Honourable L. C. M. S. AMERY, P.C., M.P.,
Secretary of State for the Colonies.

The Residency,
Baghdad,
August 6th, 1925.

SIR,

This report is to give an account of the 'Iraq State from the autumn of 1920, when the first steps were taken for the establishment of an Arab national government, down to the present time. It will thus cover nearly five years. During something more than the first two years the office of High Commissioner was held by Major-General Sir Percy Cox, and since then it has been held by myself, although for some months of this period I was acting for Sir Percy during his absence in England on duty or on leave preparatory to retirement.

The geographical situation of 'Iraq, the agitation of her neighbours, the events of the Arab national movement, and the rebellion which preceded the period under review have combined to place political questions in the forefront. I shall accordingly handle these first.

Political.

POLITICAL SITUATION IN 1920.

The troubles of 'Iraq in 1920 were no isolated phenomenon, but were partly a consequence of the disfavour among Oriental peoples into which Great Britain had at that time fallen. During the years immediately following the war, England, as the only Western Power retaining a dominant position in Asia, took the place of Czarist Russia in the eyes of that continent as the Ogre of the East. In India the crisis came in 1919, and was followed by war with Afghanistan and risings all along the North West Frontier. Persia was for the time overawed by British troops, and her Government accepted in 1919 the Anglo-Persian Treaty, but in the beginning of 1920 the withdrawal of the troops had begun and a wave of Anglophobia swept over the Persians, who repudiated the Treaty as being aimed at their independence. The fact that the Chief Shiah Divines of the Holy Cities of 'Iraq were Persians, responsive to every shade of feeling in their

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country, had an influence at this time upon events in 'Iraq which has perhaps been hitherto overlooked. To the north the Turks of Anatolia had revived. The British troops had been withdrawn from Armenia at the end of 1919. Mustapha Kamal had begun his successful rebellion against the Sultan as a puppet of the English, who were still paralyzed in Constantinople by the necessity of waiting until the intentions of America were fully known. Between January and April, 1920, the forces of Mustapha Kamal defeated the French troops in Cilicia and expelled them from that area. It was already felt that the provisions of the Treaty of Sèvres, handed to the Turkish Foreign Office in May, 1920, would, like those of the Anglo-Persian Treaty, never be enforced. In Syria the Government of King Faisal at Damascus had, during 1919 in the absence of the King in Europe, been drawn into the anti-British current and had permitted encroachments along the Euphrates upon territories occupied by the British forces of 'Iraq. In March, 1920, King Faisal was proclaimed, in a great Arab meeting at Damascus, King of an Independent Syria, while his brother, the Amir 'Abdullah, was simultaneously proclaimed King of 'Iraq. Damascus was full of adventurous 'Iraqis eager to put this proclamation into force and to sweep away British control from 'Iraq. In Palestine things were comparatively quiet; but Egypt was already convulsed by agitation against the British Protectorate, and serious rioting had taken place in November, 1919, at Cairo and Alexandria.

Thus, from India to Egypt, the Eastern World lay in a welter of resentment against the policy of the British and their Allies, the aims of which had been everywhere industriously misrepresented by their enemies. 'Iraq, in the very centre of this vortex of hostile impulses, was especially affected by them. At the same time the British forces in 'Iraq had been cut down to a minimum; but there had been little change in the war system, under which British officers, many of them young and not greatly experienced, held charge throughout the country of every considerable executive post, the Arabs enjoying mainly minor appointments, in which moreover they competed with large numbers of Indians. In every direction, therefore, lay scattered small British centres, a provocation and an easy prey to those already inflamed against them, unprotected too often by any but local levies and gendarmerie ready to be carried away by the first gust of local sentiment. On August 1, 1920, it was calculated that (railways being excluded) out of 500 civil administrative posts the monthly pay of which was more than Rs.600, 473 were filled by British officers, 7 by Indians, and only 20 by Arabs. Of these 473 British officers, 91 formed the executive staff of the administrative civil divisions. It is instructive to compare this number with the total of 12 British Administrative Inspectors, who, at the time of writing, form the only British element attached to the executive civil administration outside

Headquarters Ministries. Even these now exercise only advisory and not executive powers. In the minor posts of the Civil Administration (drawing less than Rs.600 monthly), if railways and the rank and file of the police and levies be excluded, out of 5,886 persons employed on 1st August, 1920, 515 were British, 2,209 Indian, and 3,162 Arab or Kurd. At present in such minor posts there are only 104 British and 620 Indians, all the rest being inhabitants of 'Iraq. This comparison shows at a glance the immensity of the administrative revolution which has taken place in five years. Whatever argument there may be as to the greater efficiency secured by such a former preponderance of British and Indians in the controlling posts, it cannot be denied that in 1920 the Administration was patently alien and a standing challenge to 'Iraqi nationalist sentiment. There had, since the end of the war, been no time and perhaps little inclination to adopt the principle, so frequently applied with success in the British Empire, of allowing only a very sparing infusion of the British administrative element, and of using it as a minute vitamine or yeast to vitalize and leaven the mass, instead of depending on it as a main ingredient. The discontent of 'Iraqi place-seekers, kept out of office by this system, permeated the intelligentsia of the towns, where resentment was increased by the reservation of most of the best houses for the residence of the foreign officials.

Such was the atmosphere, explosive by reason both of external contagion and of internal discontent, into which in May, 1920, Great Britain launched the declaration that she had definitely accepted from the League of Nations the Mandate for 'Iraq.

In the turbulence of the time the announcement was at first almost unnoticed. As a result of the encroachments by the Damascus Government on the Euphrates, the tribes north of Baghdad and round Mosul were already out of hand. On 24th May, 1920, they burnt a train; on 2nd June they attacked Tal 'Afar, an isolated town to the west of Mosul, raised the gendarmerie against their British officers, and massacred the Assistant Political Officer and all the British gendarmerie staff. This was the signal for a general rising of the Arab tribes round Mosul. They attacked Yazadi and Christian villages east of the Tigris and made repeated raids on the railway and the road. The position was, however, rapidly restored by military measures, and by the end of June, 1920, the whole of the Mosul Wilayat other than the Kurdish mountain fringe (which had been temporarily abandoned in 1919) was under control.

The agitation was now transferred to Baghdad and to the middle Euphrates region, in which the most turbulent of the Arab tribes live. For some months there had been signs of an unprecedented combination between certain Sunni political leaders of Baghdad and the Shiah Divines of the Holy Cities.

In June, 1920, a self-chosen committee, composed of members of both sects, sought an opportunity for laying before the Civil Commissioner (Colonel Wilson) their objection to the Mandate of Great Britain over 'Iraq, and on 20th June, 1920, an official announcement was made to them in the following terms :—

> " His Majesty's Government, having been entrusted with the Mandate for Mesopotamia, anticipate that the Mandate will constitute Mesopotamia an Independent State under the guarantee of the League of Nations and subject to the Mandate to Great Britain; that it will lay on them the responsibility for the maintenance of internal peace and external security, and will require them to formulate an organic law, to be framed in consultation with the people of Mesopotamia and with due regard to the rights, wishes and interests of all the communities of the country. The Mandate will contain provisions to facilitate the development of Mesopotamia as a self-governing State until such time as it can stand by itself, when the Mandate will come to an end.
>
> " The inception of this task His Majesty's Government has decided to entrust to Sir Percy Cox, who will accordingly return to Baghdad in the autumn and will resume his position on the termination of the existing military administration as Chief British Representative in Mesopotamia.
>
> " Sir Percy Cox will be authorised to call into being, as provisional bodies, a Council of State under an Arab President and a General Elective Assembly representative of and freely elected by the population of Mesopotamia, and it will be his duty to prepare, in consultation with the General Elective Assembly, the permanent Organic Law."

This announcement was followed by an invitation to persons who had been deputies in the Turkish Parliament and to other leading persons to form a committee for the preparation of an electoral law; but the extremist leaders refused to co-operate and the labours of the Committee were interrupted by the general disorder of the country.

The Euphrates tribes and the Holy Cities were in a ferment, fostered by the Syrian encroachments already mentioned and by the news of the risings round Mosul and increased by the bitter agitation in Persia against the Anglo-Persian agreement. The first outbreak occurred in the first week of July, 1920, when certain tribesmen rescued their chief from imprisonment for a misdemeanour and then cut the railway in three places. A relief train was captured and burnt, garrisons on the Euphrates towns had to withdrawn, and on the 24th July, 1920, three companies of the Manchester Regiment, who had been sent to form a post on the road to Kifl, ran short of water and, exhausted by heat, were obliged to retreat after losing half their number in

prisoners to the tribesmen. The whole country to the west of Hilla then rose in arms, and in a few days order could not be maintained outside the perimeter of the Baghdad garrison, while one headquarters station after another was overwhelmed by the insurgents, the British officers being either killed or made prisoners.

Precisely at this juncture, on 25th July, 1920, the French occupied Damascus and Aleppo and the Syrian Kingdom of King Faisal ended. This had a damping effect on the agitation in 'Iraq. Troops were hurried out from India, a number of the leaders of the revolt were arrested and deported under military law to the Island of Henjam in the Persian Gulf, and progress had been made with the pacification of the country, especially on the Middle Euphrates, when Sir Pency Cox arrived at Basra to take up the post of High Commissioner on 1st October, 1920.

Political Events after the arrival of Sir Percy Cox.

Rarely can a servant of the British Government have embarked on an enterprise more difficult and more unattractive to the ordinary mind than that which now awaited Sir Percy Cox. It was his task completely to transform the Administration so as to eliminate the excessive alien elements, and to effect the rapid introduction of a representative constitution into a country still a prey to the gravest disorder and seething with hatred of the foreigner, without indigenous trained officials, without a fixed frontier, and without any discoverable head. Sir Percy was, perhaps, the only man who could have undertaken this task, and his friends felt that even his high reputation was being put to an unfair test. But the knowledge of his monumental industry, imperturbable devotion to duty, and unerring judgment gave them confidence. He was fortunate in having at his disposal the services of Miss Gertrude Bell, Oriental Secretary, whose unquenchable faith and enthusiasm for the Arab cause and people have now for many years been repaid by the gratitude and affection of the people of 'Iraq.

The successes of the British troops led to the rapid re-establishment of civil administration in the Middle and Lower Euphrates, in Kirkuk and in the greater part of the Mosul Division, though continual Turkish intrigues kept the Kurdish and Arab tribes of Mosul restless, and the road between rail-head and Mosul was long unsafe for travellers. The northern Euphrates region round 'Ana and the Diyala Division on the Persian frontier remained in disorder until the middle of 1921.

Within a fortnight of his assumption of office Sir Percy Cox issued a proclamation to the tribesmen telling them that the object of his return to 'Iraq was to give shape to the fixed intention of the British Government to assist the leaders of the people to create a National Government; but as with the country still so disturbed it was impossible to proceed with the work of forming

an elective assembly, he had decided to institute immediately a Provisional Government to be responsible under his guidance for administration, until further progress could be made in the direction of national institutions. He accordingly invited the Naqib of Baghdad, a dignitary of high religious and social position, to form and preside over a Provisional Council of State. His Highness the Naqib accepted, and by 10th November, 1920, had completed the constitution of his Council, which contained, besides himself, eight Ministers (for Interior, Finance, Justice, Defence, Public Works, Education and Health, Commerce, and Auqaf or Pious Foundations). The most outstanding of these were Saiyid Talib Pasha (Interior), a man of great ambition and force of character, who had been the head of the Arab National Movement in the last years of the Turkish règime before the war; Sasun Effendi Haskail (Finance), leading representative of the Jewish community and ex-member of the Turkish Chamber, with great financial experience; and Ja'far Pasha al 'Askari (Defence), who had served as Governor of Aleppo under King Faisal, and was a devoted personal adherent of His Majesty. In addition nine Ministers without portfolios were given seats on the Council, being selected to represent the tribes and all classes and sects of the community. This experiment was not, however, successful, and the Ministers without portfolios gradually dropped out. A British Adviser was attached to each Ministry and rules were laid down under which the High Commissioner was to be kept in touch through the Advisers with the work of each Department, and informed especially of any important differences of opinion between the Ministers and their Advisers.

The principal questions towards which the Council gave attention were the return of leaders of the revolt interned at Henjam, the repatriation of 'Iraqi officers who had served either in the defunct Arab Kingdom of Damascus or in the Hejaz Army, the re-organization of Civil Government under 'Iraqi officials, the electoral law, and the formation of an 'Iraqi Army. Out of 45 political détenus at Henjam, fifteen were immediately released under guarantees, the remainder being detained until the proclamation of a general amnesty in May, 1921. As to the 'Iraqi officers of the Hejaz and Damascus armies, the most prominent of these, Nuri Pasha al Sa'id, arrived from Syria in February, 1921, and was appointed Chief of the General Staff, and a month later 111 other 'Iraqi officers followed him. All of these were, like the Minister of Defence, Ja'far Pasha, adherents of the Amir Faisal (who was at that time an exile in Europe after the collapse of his Damascus Kingdom), and it was mainly the return to 'Iraq in a compact body of these experienced, energetic and determined adventurers which moulded the minds of the 'Iraqi public towards their subsequent acceptance of the Amir Faisal as their ruler. These returned officers immediately began an agitation in favour of the Amir which threw into secret

opposition Saiyid Talib Pasha, Minister of the Interior. He himself entertained the ambition to be ruler of 'Iraq and set about forming a personal party, a project which was made apparently easier by the fact that nearly all administrative appointments lay in his hands and could be filled by his nominees. The preparation of the electoral law had also been entrusted to his Department and is believed to have been purposely delayed by him, so that a general election to determine the future of the country should be deferred until his propaganda was complete.

In the meanwhile, throughout the early part of 1921, many other 'Iraqis of experience and education, who had held civil or military appointments under the Turks, as well as private individuals, were streaming back to their country and were available for employment under the 'Iraq Government. This greatly facilitated the reorganization of the civil administration on a native basis, although complaints were heard among the tribes that their old enemies, the "effendis," were returning in full force.

In February, 1921, Sir Percy Cox left 'Iraq for a six weeks' visit to Egypt to attend the conference called at Cairo by Mr. Winston Churchill to consider the future of the Middle East. On his return he found that the ambitions of Saiyid Talib, Minister of the Interior, had rapidly developed, and that he was assuming a threatening attitude towards the efforts of the British Government to secure a free discussion by the people of the future government of 'Iraq. In April, 1921, therefore, the High Commissioner arranged for the deportation of the Minister to Ceylon, a measure which immediately calmed the country.

Referendum regarding Ruler and Accession of King Faisal.

In May, 1921, as a preliminary to the choice of a Ruler for all 'Iraq, an attempt was made to ascertain the wishes of the Kurdish districts as to their inclusion within the 'Iraq State, and, in order to meet their apprehensions regarding an Arab Government, a suggestion was put to them that the Kurdish portions of Mosul and Kirkuk should be formed into two new sub-divisions, which, while generally attached to 'Iraq, would be more directly under British officers and under the High Commissioner than the rest of 'Iraq. Sulaimaniya was to remain under the control of the High Commissioner. These proposals were accepted by the Kurds, but in the case of the Kurdish parts of Mosul were never carried out, as the people did not press for them.

In July and August, 1921, the referendum was held which resulted in the accession of His Majesty King Faisal to the throne of 'Iraq. In response to telegrams sent to King Husain of the Hejaz by the returned 'Iraqi officers, who have already been described as enthusiastic adherents of his cause, it became known in the middle of June, 1921, that the Amir Faisal had

set out for 'Iraq as a candidate for the throne. Simultaneously a speech by Mr. Winston Churchill in the House of Commons was published which gave an assurance that the British Government approved of his candidature.

On 24th June, 1921, the Amir arrived by ship in Basra, but three days before his arrival a representative deputation from Basra had presented to Sir Percy Cox a petition requesting that the district of Basra should be made autonomous under British suzerainty.

On his entry into 'Iraq the Amir made a favourable impression by his demeanour and speeches, which never failed to dwell on the need of British assistance, and articulate public opinion rapidly advanced to the point of demanding a more speedy means of electing the future ruler than the summoning of a National Congress, for which even the electoral law was not yet ready. The Council of Ministers passed a resolution on 11th July, 1921, " declaring His Highness Amir Faisal King of 'Iraq, provided that His Highness' Government should be a constitutional, representative and democratic government, limited by law." Sir Percy Cox, however, considered it necessary to fortify himself with a direct indication of the assent of the people, and accordingly arranged for a referendum through the Ministry of Interior. This was carried out throughout 'Iraq, except in the purely Kurdish Division of Sulaimaniya, which decided to hold aloof. Representative committees of the inhabitants of all districts and of all quarters of the principal towns recorded their opinions in writing on a set form, for or against the Resolution of the Council, with the result that 96 per cent. of the votes were in favour of the election of the Amir Faisal. The dissentient four per cent. came mainly from the Turkish and Kurdish population of the Kirkuk Division, which later presented a petition to the High Commissioner asking that the Division might be given a year's grace before coming to a decision. (In the end no further voting on this matter was attempted in Kirkuk, which quietly acquiesced in the constitutional arrangements subsequently settled for the whole country.) In Baghdad, where the politically minded are ever prone to xenophobia, a condition was added that 'Iraq should be independent of any foreign sovereignty and that a National Congress should be convened in three months. On the other side most of the townships and districts outside Baghdad stipulated that the continuance of the British Mandate should be assured.

On 23rd August, 1921, at Baghdad, in the presence of representatives of all local communities, and of deputations from every division except Sulaimaniya and Kirkuk, Sir Percy Cox proclaimed His Highness the Amir Faisal to have been duly elected King of 'Iraq, and announced his recognition as King by His Britannic Majesty's Government. King Faisal in a speech laid down the principles by which his Government would be

guided, insisting on the maintenance of the alliance between Great Britain and 'Iraq, to be embodied in a treaty which would be confirmed by the National Congress. Shortly afterwards the King entrusted the Naqib of Baghdad with the formation of a new Cabinet, which contained much the same members as before, with the exception that Saiyid Talib had disappeared from the Interior and that the Ministry of Justice was taken by Naji Beg al Suwaidi.

External and Internal Troubles in the Year Succeeding King Faisal's Accession.

The first King of 'Iraq and the reconstructed Ministry had entered upon an insecure and troubled heritage. On the north Turkey, embittered by the Greek adventure at Smyrna, was theoretically in a state of armistice, but in fact clearly hostile. She had been advocating as her candidate for the throne of 'Iraq Shaikh Ahmad al Sanussi, who had arrived in Diarbekr from North Africa, and the Mosul Wilayat was filled with his violently anti-foreign manifestos. The Turkish garrison at Jazira ibn 'Umar, near the 'Iraq frontier, was increased, and small Turkish posts were placed all along the frontier. Encouraged by these threats, the Kurdish Surchi Chiefs of 'Aqra and the tribesmen round Ruwandiz rose in May, 1921. Measures were taken against them, but in June, 1921, a Turkish official reached Ruwandiz within the 'Iraq frontier with a small party of irregulars and stirred up all the tribes of the neighbourhood. On 31st July, 1921, a police post at Batas was attacked and forced to surrender and rebel tribes attacked Rania. The Levies held the Turkish adherents in check, but the Turks remained in Ruwandiz, and in December, 1921, operations again became necessary against them on the south side of the Ruwandiz Gorge. The Turks then retired temporarily to Ruwandiz, whence they kept the whole of Southern Kurdistan in a ferment until they were finally expelled in the spring of 1923. They were in correspondence with Mahmud Khan Dizli, a Persian Kurdish Chief on the borders of Sulaimaniya, who was allowed back to Sulaimaniya from imprisonment in India in September, 1921. At Turkish instigation he raided the Halabja plain (south-east of Sulaimaniya), between December, 1921, and March, 1922, until he was finally frightened across the Persian border by aerial demonstrations.

In May, 1922, a new Turkish official reached Ruwandiz as Qaimmaqam, and in June an able commander of Turkish irregulars, nicknamed Euz Demir, also arrived. They embarked on an intensive campaign among the tribes, and some of their forces advanced as far as Rania. The tribes of Sulaimaniya became restive, the Hamawand revolted, and a general cry arose in Sulaimaniya that the only way to compose the situation was to allow back Shaikh Mahmud, who had been defeated by the British and deported in 1919.

On the south-west of 'Iraq, the desert tribes had, since the beginning of 1921, been in a state of disorder caused by the operations of Ibn Sa'ud of Nejd against Ibn Rashid and the Shammar tribes of Hail. In consequence, a large migration to 'Iraq of Shammar tribes fleeing from the forces of Ibn Sa'ud started in April, 1921, and continued throughout the year. The presence in 'Iraq of these fugitive Shammar, hereditary enemies of Ibn Sa'ud, has ever since had a deplorable effect on the relations between 'Iraq and Nejd, the end of which is not yet in sight. In November, 1921, Hail fell and Ibn Sa'ud's pretensions increased. He claimed suzerainty over the powerful tribe of the 'Anizah of 'Iraq, and in March, 1922, permitted the leader of his 'Akhwan or Brethren to attack the 'Iraq desert camel corps and the shepherd tribes camped under their protection at a spot only 30 miles away from the main railway line between Basra and Baghdad, inflicting very heavy losses. Sir Percy Cox hesitated to open hostilities against Ibn Sa'ud's forces, but the observing aeroplanes being fired upon, some retaliation became necessary. A grave warning was issued to Ibn Sa'ud, and he was informed that a provisional frontier had been fixed which his tribesmen might not transgress, pending negotiations for the final fixing of the frontier. The news of the Akhwan raid created profound indignation in certain political circles in Baghdad, and especially in the Palace, where immediate reprisals were demanded, without sufficient reflection as to the material available in 'Iraq for carrying them out. It was alleged that Great Britain had instigated the raid on 'Iraq by Ibn Sa'ud (who was in receipt of a British subsidy), in order to make 'Iraq realise the extent of her dependence on the British. King Faisal demanded the resignation of certain Ministers who did not share his indignation, and the Ministers of the Interior, Justice, Education, Commerce, and Public Works resigned at the end of March, 1922.

This ferment and danger on all the frontiers coincided with a serious divergence of views between the British and 'Iraq Governments on the subject of their relations to one another. King Faisal and the Prime Minister asked for the complete abrogation of the British Mandate, as incompatible with 'Iraq independence, and for its replacement by a Treaty of Alliance, whereas the British Government was aiming at a treaty within the scope of the Mandate. The difference was largely technical, but was not so regarded by the extreme Arab nationalists and gave rise to embittered controversy and agitation. The King himself felt perhaps more strongly on the question of Ibn Sa'ud than on that of the Mandate; but however this may be, a confluence of the two waves of popular indignation, that regarding the Akhwan raids and that regarding the Mandate, seemed at this juncture to be sweeping the 'Iraq Government perilously near to opposition to the British. At this juncture the Shiah Divines of the Holy Cities, mostly Persian subjects, perennial fishers in

troubled waters and haters of orderly secular Government, entered the arena. In order to secure Palace support they baited their hook ostensibly with a protest regarding the Akhwan raids, and on 1st April, 1922, their leader, Shaikh Mahdi al Khalisi, issued invitations to all the Arab leaders, both Sunni and Shiah, to assemble at Karbala on 13th April, 1922, for the purpose of considering measures for defence against the Akhwan. The real purpose of the meeting was known to be to organise a general anti-British manifesto and a demonstration against the British Mandate. This soon leaked out and the more sensible of the shaikhs, especially the Sunnis, abstained from the meeting, which eventually confined itself to the drawing up of a petition to the King asking that measures should be taken against the Akhwan. In spite of this innocuous conclusion and of the signature in May, 1922, of a satisfactory treaty between 'Iraq and Nejd, the intrigues which had led to the Karbala meeting, the exaggerated expectations built upon it, and the impressions spread by the Shiah divines that the 'Iraq Government was behind its unavowed objects, bore rapid fruit in Baghdad and the Euphrates districts. A sharp definition of factions emerged in these regions. On the one hand stood the advanced nationalist and anti-Mandate party, comprising most of the new Arab officials appointed by the King, together with a clique of town politicians who had been prominent in the agitation of 1920, and all the rivals of those tribal shaikhs who had been supported by the British during the period of military occupation. The opposite and pro-Mandate faction was almost entirely tribal, consisting mainly of those leaders who had been supported by the British Government of Occupation. The mass of the people was, as usual, silent and ready to take the strongest side. The extremist officials attempted to strengthen their party by showing the grossest favouritism to its adherents in revenue collection and other executive matters. On 24th May, 1922, Shaikh Mahdi al Khalisi published an open appeal for the rejection of the British Treaty, and an attempt was made to hold a public anti-Treaty demonstration in Baghdad. In June, 1922, there was a bitter anti-Treaty campaign in the Arab Press, grave symptoms of disorder appeared on the Euphrates, and the collection of revenue dropped to vanishing point. At the end of June the Council of Ministers accepted the Treaty, with the characteristic reservation that it should not be ratified until agreed to by the forthcoming Constituent Assembly. King Faisal, however, influenced by the continued violence of the anti-Treaty demonstrations, deferred his signature in the hope of securing a formula more favourable to the abrogation of the Mandate, and this gave rise to a still more violent agitation and to the general impression that the King was on the side of the agitators. August, 1922, was marked by the formation of two extremist political parties and the issue of fresh anti-foreign manifestos by Shaikh Mahdi al Khalisi and a rival Persian divine,

Saiyid Muhammad Sadr. On 16th August, 1922, the whole Cabinet, except the Prime Minister, the Naqib, resigned, on the ground that they did not enjoy the confidence of the King, and the extremists proclaimed that the new Cabinet was to be formed from their number under the presidency of Shaikh Muhammad Sadr. On 23rd August, 1922, a joint manifesto by all the extremist parties was published in the Baghdad papers demanding that British influence in the administration should be entirely eliminated. On the same day, the first anniversary of the King's accession, when Sir Percy Cox went officially to the Palace to congratulate His Majesty, he was received with an anti-Mandate demonstration organised by the King's own Chamberlains. Sir Percy demanded an instant and ample apology for this affront, and received it; but it was accompanied by the announcement that His Majesty was suffering from a severe attack of appendicitis necessitating an immediate operation and that he would be unable for some time to deal with official business.

Sir Percy Cox was thus confronted with a strange crisis. The Cabinet had resigned; the King was incapacitated; the Baghdad Wilayat and the Euphrates tribes were on the verge of a rebellion to all appearance not less serious than that of 1920. The Turks, whose prestige had now enormously increased owing to their defeat of the Greeks, were in Ruwandiz and Rania and threatening Sulaimaniya. There was no authority left in the country except that of the High Commissioner, and he determined at once to exercise it to the full. He issued a proclamation recapitulating the facts of the situation and announcing that he had felt obliged to order the arrest and deportation of the leading agitators, the closing do vn of the two extreme nationalist parties and the suspension of certain newspapers. The proclamation emphasized the fact that these measures did not signify any change in the policy of His Britannic Majesty's Government, and called on all friendly and moderate persons to resist irresponsible agitators. In addition to these measures, Sir Percy Cox induced Saiyid Muhammad Sadr and a son of Shaikh Mahdi al Khalisi to disappear to Persia, where their alleged forcible ejection from 'Iraq produced a violent anti-British explosion. He also arranged the transfer or dismissal of those Arab officials in the Euphrates districts whose intrigues had so powerfully fostered the agitation.

The effect of these measures was instantaneous. The people had only been waiting for a sign of decision and strength, and, except for a few isolated acts of defiance, and for the Southern Kurdish districts, which continued to respond to Turkish incitements, the whole country was quiet by 10th September, 1922, when King Faisal was strong enough to give an interview to Sir Percy Cox and to thank him for the action taken during the interregnum. Since that crisis there has been no real threat of widespread disorder in 'Iraq, perhaps because all sides have learned the lesson that nothing in Eastern countries is so dangerous as to drift.

This internal crisis was scarcely over when the state of the north-eastern frontier became alarming. A Levy force from Sulaimaniya, pursuing Kurdish rebels, had become involved too far from their base, and an Indian regiment was sent to reinforce them. The combined force met with a reverse near Rania on 1st September, 1922, and was with difficulty withdrawn. In consequence Sulaimaniya was abandoned on 5th September, 1922, the British officials being removed by air, and Shaikh Mahmud, the former rebel, was summoned to Baghdad from Kuwait where he had been waiting after being released from deportation in India. He was entrusted, a hazardous and, as it proved, unfortunate experiment, with the Governorship of Sulaimaniya, which he reached on 30th September, 1922. Effective administration had now been temporarily withdrawn to the Kifri—Kirkuk —Arbil line in the plains along the foot of the Southern Kurdish mountains and even this was threatened. The Turkish irregulars momentarily occupied Köi Sanjaq.

At this stage the situation was transformed by the placing of the command of all the Imperial forces in 'Iraq, " ground troops," Levies and Royal Air Force, under the command of the Air Officer Commanding. The change had been decided on at the Cairo Conference in March, 1921, but it had not been originally intended that it should take effect before the northern frontier was settled and the Turkish threat had disappeared. Air Marshal Sir John Salmond assumed charge of the post of Air Officer Commanding on 1st October, 1922, and by his marvellous energy, which was for the next eighteen months to dazzle 'Iraq, he immediately restored the situation. Air action was taken throughout October, 1922, against the Turks and their adherents wherever they showed their heads, and during the next four months they were forced to withdraw entirely from the Rania district and to concentrate in Ruwandiz, whence, as will be narrated, they were finally ejected in April, 1923.

The months of August and September, 1922, the period of Mustapha Kamal's triumphs in Anatolia, had been the darkest hour before the dawn. Sir Percy Cox by his resolute action had scotched the threat of a second internal rising, while Sir John Salmond had safeguarded the frontiers. 'Iraq was now to enter upon a comparatively tranquil period of political development, although the nightmare of an unsettled Turkish frontier and recurring rumours of Turkish invasion were to persist for three years more and to prevent the country from reaping the full harvest of peace.

New Era following on Assumption of Military Control by Royal Air Force.

At the end of September, 1922, the King being restored to health, the Naqib formed a new Cabinet. Difficulties with regard to the Treaty and the British Mandate had been cleared away

by an assurance from the Secretary of State for the Colonies, reproduced below, and published in 'Iraq on 12th October, 1922 :—

> " His Britannic Majesty's Government, conscious of the deep obligations into which they entered towards 'Iraq, are convinced that these obligations will be completely fulfilled by means of the Treaty of Alliance which has been signed on behalf of His Britannic Majesty and of His Majesty the King of 'Iraq. They will do everything in their power to speed delimitation of the frontiers of 'Iraq, in order that 'Iraq may be in a position, when Treaty and subsidiary agreements therein provided for have been duly ratified and the Organic Law has been brought into effect, to apply for admission to membership of the League of Nations.
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> " They confidently look forward to this application being made as soon as the frontiers are settled and a stable Government set up in accordance with the Organic Law, when they will use their good offices, provided that effect is being given to the provisions of the Treaty, to secure the admission of 'Iraq to membership of the League, as provided for in Article 6 thereof, which affords, in their opinion, the sole means by which mandatory relations can legally be terminated."

(It will be observed that, up to the time of writing, the first of the conditions laid down for the admission of 'Iraq to the League of Nations and for the termination of mandatory relations, namely, the settlement of the frontiers, has not been fulfilled.)

On 10th October, 1922, Sir Percy Cox and His Highness the Naqib signed the Treaty of Alliance between Great Britain and 'Iraq, the period of which was to be for twenty years, and it was published on Friday, 13th October, together with a proclamation by His Majesty King Faisal to the people of 'Iraq expressing his profound satisfaction with the event. It was perhaps scarcely realised at the time, either by the public or by the 'Iraq Government itself, that the Treaty thus at length signed was a mere skeleton, and that the subsidiary agreements to be attached to it were to be its flesh and blood. The elaboration of them was destined to be the cause of profound political controversies and was to be the task of other hands. On 21st October, 1922, the King published an Iradah ordering elections for the convention of the Constituent Assembly which was to accept the Treaty and pass an Organic Law and a permanent Election Law for the election of future 'Iraq Parliaments. It was expected that the Constituent Assembly would meet in January, 1923, at latest, that the frontiers of 'Iraq would have been previously fixed at the first conference of Lausanne (which assembled on 21st November, 1922), and that the subsidiary agreements would be signed and

both the Treaty and the Agreements accepted by the 'Iraq Constituent Assembly without delay. 'Iraq would then immediately enter the League of Nations, all necessary conditions having been fulfilled. There was probably no one in 'Iraq who did not anticipate that by the spring of 1923 'Iraq would be a member of the League, the mandatory relations between her and Great Britain would have ceased, the Turkish menace would have disappeared, and she would forthwith enter on a twenty years' period of peaceful development with the friendly support of the British Empire. *Dis aliter visum.*

With the approach of the first Lausanne Conference Turkish propaganda grew stronger and influenced both the Shiahs of the Euphrates and the inhabitants of the north. The King's Iradah ordering elections was met by a fatwa dated 8th November, 1922, signed by the Shiah divines of Karbala and Kadhimain, forbidding participation in the elections. This held up all electoral activity along the Euphrates, while in the north fear of future inclusion in the Turkish Empire had the same effect. It was now felt that more vigorous measures were needed to counteract the Turkish efforts, and, on 16th November, 1922, His Highness the Naqib resigned the post of Prime Minister, being succeeded by 'Abdul Muhsin Beg, who reconstructed the Cabinet.

Change of British Policy towards 'Iraq resulting in the Signing of the Protocol to the Treaty of Alliance.

At this juncture, a change of Government took place in England profoundly affecting the future of 'Iraq. The Coalition Government, under which the 'Iraq Treaty had been negotiated and signed, had resigned on 23rd October, 1922, a few days after the signature of the Treaty, and in the course of the elections which took place in November, 1922, the question of 'Iraq was prominently discussed. A fierce newspaper campaign was conducted against the expenditure of British money in 'Iraq, and many of the members of the Conservative Party which was returned to power had pledged themselves to secure the evacuation of 'Iraq by the British at the earliest possible opportunity. As a consequence, a Cabinet Committee was set up in London in December, 1922, to decide future policy in 'Iraq, discussion of which coincided with an obstinate refusal by the Turkish Government at the first Conference of Lausanne to consider the separation of the Mosul Wilayat from the Turkish Empire, or even to consider the submission to the League of Nations of the question of the 'Iraq frontier. The Treaty of Alliance between Great Britain and 'Iraq, so recently signed, had not been ratified. It was open to Great Britain to refuse ratification; and for four months, from December, 1922, to the end of March, 1923, 'Iraq was doubtful whether she would not within the next few weeks be abandoned to Turkey. The weaklings began to fail and declare themselves for the Turks, and all the activities of the country fell into a state of suspense.

On 22nd December, 1922, I arrived in Baghdad to take up the newly created post of Counsellor to the High Commissioner, with the prospect of succeeding Sir Percy Cox when, as was understood, he retired in the ensuing year. The prospect was not a firm one, since it was possible that, as a result of the deliberations of the British Cabinet, there might shortly be no High Commissioner to succeed. Almost immediately on my arrival, Sir Percy Cox was summoned to London to assist in those deliberations, and he left Baghdad by air on 19th January, 1923. He did not again take an active part in the general work of the High Commissioner, returning on 31st March, 1923, only to announce the new policy of the British Government, to sign the Protocol of the Treaty necessitated by the change, and to prepare for his final departure, which took place on 3rd May, 1923.

On taking up the work of High Commissioner in January, 1923, I found that all hope of holding an early election for the Constituent Assembly had vanished, while the Turkish threat on the north was growing more insistent. The first Lausanne Conference was on the verge of collapse. In Sulaimaniya the newly restored Shaikh Mahmud was already suspect of intriguing with the Turks. The mass of the people of 'Iraq were silent, showing that strange and admirable restraint with which Oriental peoples await the fulfilment of the purposes of God; but unshakeable through all had been their belief (dimmed only for a time in the murk of the years succeeding the war) in the generosity and high purpose of Great Britain towards weaker peoples.

Sir Percy Cox returned, as has been said, on the 31st March, 1923, bringing with him the result of the deliberations of the British Government in the shape of a draft Protocol to the Treaty of Alliance. The Protocol cut down the period of the Treaty from twenty years to a maximum of four year from the date of ratification of peace with Turkey, and provided that, if before the lapse of that maximum period, 'Iraq became a member of the League of Nations the Treaty should terminate immediately. The Protocol was signed on 30th April, 1923. In the event, the Treaty of Peace with Turkey (Treaty of Lausanne) was ratified on 6th August, 1924, so that at the time of writing this report there is at the most a period of three years left before the present Treaty between Great Britain and 'Iraq terminates. The more far-seeing people feared that the reduced period was too short to enable 'Iraq to stand upon her own feet, and the so-called pro-British sections of the populations, especially some of the Euphrates tribes, the inhabitants of Basra and the Assyrians of Mosul, professed to regard this reduction as a betrayal of their interests. But the politicians of Baghdad and Mosul, whose influence upon the country people is far more powerful than is generally admitted, welcomed it with enthusiasm, and even King

Faisal and his Ministers, while expressing constant gratitude for the support and favours received in the past, were undisguisedly delighted that a near term had been put to authoritative control by Great Britain of their affairs.

Departure of Sir Percy Cox and Expulsion of Turkish Influence from Kurdish Frontiers.

Sir Percy Cox left 'Iraq at the beginning of May, 1923, amid spontaneous demonstrations of affection and regret from all classes of the population. During his absence in London I had in January, 1923, taken steps to restore general confidence in the face of the Turkish threats. For this purpose a force, composed partly of British and partly of 'Iraq troops, moved up to Mosul, and His Highness the Amir Zaid, the brother of King Faisal, who had arrived in 'Iraq in November, 1922, took up his residence at Mosul to initiate political measures for winning over Kurdish sentiment to the 'Iraq side. He also superintended the formation of a force of Arab tribal irregulars to operate, if need be, against invaders of the plains to the west of Mosul. This demonstration, combined with the firm stand of the British representatives at Lausanne, had an immediate effect on the whole country and caused the threatening movements of Turkish troops near the northern frontier to cease. But Turkish irregulars remained at Ruwandiz and the capture of their commander's correspondence revealed immediate plans for a Kurdish rising with the co-operation of Shaikh Mahmud of Sulaimaniya. To forestall such a combination, Shaikh Mahmud's headquarters were bombed from the air and he took to the mountains. It was now time to complete the pacification of the frontier by the reoccupation of Ruwandiz. Two columns of troops advanced on the town, which the Turkish irregulars and their leader, Euz Demir, evacuated without fighting on 22nd April, 1923, two days before the second conference of Lausanne began its sittings.

The district of Ruwandiz was placed under the Arbil Division and the Kurdish leader, Saiyid Taha, the hereditary chieftain of Neri, who was at that time a refugee in 'Iraq, was appointed Qaimmaqam. He was a man of strong character and of great reputation among the Kurds, and his appointment was an earnest of the wish of the British and 'Iraq Governments to administer the Kurdish districts through Kurdish officials. Helped by the presence of a battalion of Assyrian Levies, he has for more than two years succeeded in excluding Turkish influence from the important strategic centre of Ruwandiz.

A few weeks after the reoccupation of Ruwandiz, Sulaimaniya was temporarily occupied and Shaikh Mahmud fled across the Persian border. I had hoped to set up some form of autonomous administration there with the help of friendly Kurdish leaders, but it proved impossible to lock up a large number of troops which might still be needed on the northern frontier, and no Kurdish

chief could be found strong enough to resist the influence of Shaikh Mahmud without such backing. Sulaimaniya was accordingly evacuated on 20th June, 1923, and Shaikh Mahmud allowed to return there for a time and to resume his domination of the centre of the division, while the outlying parts were detached and placed under the 'Iraq administration.

Suppression of the Agitation of the Persian Shiah Divines against Elections for Constituent Assembly.

The frontiers having thus been strengthened and the Turkish menace for the time staved off, the field was free to deal with the agitation of the reactionary Shiah divines against the elections for the Constituent Assembly. By July, 1923, their demeanour towards King Faisal and towards the 'Iraq Government had become intolerably arrogant, and King Faisal, after many hesitations, saw no other way than to authorise the deportation of their leader, Shaikh Mahdi al Khalisi. The deportation was arranged and carried out exclusively by Arab agency, and was followed by the voluntary exodus to Persia of several other prominent Persian divines as a public protest. The 'Iraq Government decided that it would be unsafe to permit any of these personages to return before the conclusion of the elections and the ratification by the Constituent Assembly of the Treaty of Alliance with Great Britain. This decision, although it caused agitation in Persia, was accepted as wise throughout 'Iraq. King Faisal had during this period made a progress throughout the whole country for the purpose of explaining his policy and exhorting the people to take part in the elections, and I followed shortly afterwards in his steps, so that the people were left in no doubt as to the identity of purpose of the British and 'Iraq Governments. Having thus prepared the ground, the 'Iraq Government ordered that the elections should begin again, and the completion of the registration of primary electors, which had before been found impracticable, was everywhere carried through with success, the most distant tribesmen of the Euphrates and of the Kurdish hills enrolling themselves with astonishing alacrity. The political atmosphere had in fact cleared as if by magic and the progress of the elections, notwithstanding the complications of the Electoral Law, threatened to be so swift that it was necessary to delay it, for fear that the Constituent Assembly should sit before the various agreements subsidiary to the Treaty of Alliance with Great Britain were ready for its consideration. The registration of primary electors was finally completed by 16th December, 1923, secondary elections began on 25th February, 1924, and all results were declared by the middle of March, 1924.

Apart from the labours of the 'Iraq Government and myself over the provisions of the "subsidiary agreements," the late summer and autumn of 1923 were marked only by the growing

tension between 'Iraq and Ibn Sa'ud consequent partly on raids carried out upon Nejd territory by the Shammar who had taken refuge in 'Iraq when Ibn Sa'ud took Hail in 1921. Finally a conference was arranged at Kuwait under the presidency of Colonel Knox, lately Acting Resident in the Persian Gulf, to decide outstanding questions not only between Nejd and 'Iraq but also between Nejd and Hejaz and Trans Jordan. It met on 17th December, 1923, and was in a fair way to achieve some settlement, at all events between 'Iraq and Nejd, when on 14th March, 1924, a very serious raid by Akhwan, not less than 2,000 strong, was carried out upon the 'Iraq frontier nomads, 186 persons, men, women and children being killed, and 26,000 sheep and 3,700 donkeys captured. This aroused such indignation in 'Iraq that the conference had to be abandoned and, up to the time of writing, it has not been found possible to renew negotiations.

In the meantime the Cabinet of 'Abdul Muhsin Beg had resigned on 16th November, 1923, as a consequence of differences of opinion with His Majesty King Faisal, leaving the subsidiary agreements incomplete. Ja'far Pasha succeeded him as Prime Minister and concluded the discussion of the Agreements subsidiary to the Treaty. They were signed on the 25th March, 1924. The whole Instrument of Alliance was thus ready for submission to the Constituent Assembly, which was opened by His Majesty King Faisal on 27th March, 1924. The month had already been made eventful by the declaration of King Husain as Khalifa, which enhanced the prestige of the Hashimite house.

Acceptance of Treaty of Alliance and Subsidiary Agreements by the Constituent Assembly and passing of Organic Law.

The debates on the Treaty and Agreements in the Constituent Assembly lasted until 10th June, 1924, the issue growing more and more doubtful as the country deputies fell under the influence of certain extremist lawyers and coffee-house politicians of Baghdad. There was much misrepresentation and some solid ground for dissatisfaction in the heavy burdens imposed on 'Iraq by the obligation simultaneously to expand the Army, redeem the capital cost of the railway and shoulder a large share of the Ottoman Debt. This difficult position had been brought about mainly by the cutting down of the Treaty period from twenty to four years. For whereas, under the arrangements contemplated in the original Treaty, 'Iraq would have been able to expand her army very gradually, she was now forced into a feverish and most expensive programme, with little real hope of being able in so short a time to produce an army fit for external defence. Moreover, at the Cairo Conference of 1921, which laid down the original policy, the future revenues of 'Iraq had been gravely overestimated on the basis of the momentary prosperity succeeding the war. With shrunken revenues and increased obligations, it was evident that the conditions of the

Financial Agreement must, if 'Iraq attempted to fulfil them, drive her to bankruptcy, and it was felt in Baghdad that the British Government, in its haste after the British General Elections of 1922 to limit its responsibilities towards 'Iraq, had somewhat failed in its accustomed generosity. Another great objection felt to the Treaty was that it contained no definite undertaking that the economic and judicial capitulations, formerly enjoyed in the old Turkish Empire by certain European Powers and by the United States of America, should be abrogated. There was merely a clause laying down that in consequence of the " non-application " of these immunities, effect would be given to reasonable provisions to safeguard the interests of foreigners in judicial matters. The British Government explained that they were unable to bind other Powers to abandon the capitulations on the termination of the Treaty, but that, if all were going well, they would not themselves claim the reimposition of the capitulations and would do their best to persuade other Powers not to do so.

On 20th April, 1924, the Committee of the Assembly, appointed to study the Treaty and Agreements, presented a report containing some able criticism, the work of Yasin Pasha, President of the Committee. Agitation against the Treaty, which had already led to the attempted assassination of two pro-Treaty deputies, increased and it became clear that, without some assurance regarding future financial treatment, there was little hope of passing the Treaty. On the other hand it was not feasible to accept any amendments in the Treaty and Agreements before ratification, as this would have thrown all the relations between Great Britain and 'Iraq back into the melting-pot and have created difficulties both in England and in 'Iraq. On my representations, His Britannic Majesty's Government gave an undertaking that, after ratification, they would reconsider the financial obligations of 'Iraq. This somewhat eased the situation, but also in some quarters increased the expectation of further British concessions and the anti-Treaty agitation continued. His Britannic Majesty's Government therefore resolved to put an end to a tension which was becoming dangerous, by bringing the 'Iraq Mandate before the League of Nations at the session of June, 1924, and announced that, if the 'Iraq Assembly had reached no decision by 10th June, this would be taken as a rejection of the Treaty. As a result, the Constituent Assembly accepted the Treaty and Agreements shortly before midnight on 10th June, stating in a rider to their resolution that they did so in reliance on my assurance that, after ratification, the British Government would " amend with all possible speed the Financial Agreement in the spirit of generosity and sympathy for which the British people are famous."

The acceptance of the Treaty was a notable landmark, for it has been the only instance since the close of the war of a complete and voluntary agreement to define future relations between Great

Britain and an Arabic speaking community, made under freely elected representative institutions on both sides. 'Iraq had thus shown the way to Palestine and Egypt. That the nation on the whole was satisfied with the decision was testified by the number of congratulations which I received from all parts of the country.

The Treaty and Agreements were placed before the Council of the League of Nations on 20th September, 1924. The League took note of these documents and, on 27th September, 1924, accepted them as giving effect to the provisions of Article 22 of the Covenant of the League for the regulation of the relations between 'Iraq and the Mandatory Power.

Persia objected to a clause in the Judicial Agreement excluding Persian subjects from the definition of " foreigners " and depriving them of the right to be tried before special courts. The Council of the League decided, however, that if Persia desired special treatment for her nationals she must secure this by separate negotiations with 'Iraq.

The Treaty and Agreements were ratified by His Britannic Majesty King George V on 10th November, 1924, and by His Majesty King Faisal on 12th December, 1924. As has already been pointed out, they will, under the terms of the Protocol, remain in force until at latest 5th August, 1928, four years from the ratification of peace with Turkey.

After disposing of the Treaty the Constituent Assembly proceeded to the consideration of the Organic Law and the Electoral Law, which were passed, the first on 10th July and the second on 2nd August, 1924. The programme laid down for 'Iraq in Mr. Winston Churchill's announcement of 12th October, 1922, as a necessary preliminary to the admission of 'Iraq to the League of Nations and the termination of mandatory relations, had been the ratification of the Treaty and subsidiary Agreements, the bringing into effect of the Organic Law and the delimitation of the frontiers. 'Iraq had now fulfilled her part of the programme. The delimitation of the frontiers depended on Great Britain and Turkey. Ja'far Pasha and his Cabinet, exhausted with their efforts, resigned office, the Constituent Assembly was dissolved, and Yasin Pasha al Hashimi was made Prime Minister.

Pacification of Sulaimaniya Division.

The northern frontier and the Kurdish mountains had been fairly peaceful during the latter part of 1923 and the first half of 1924. In Sulaimaniya, however, Shaikh Mahmud had persisted in overstepping the boundaries laid down for him when allowed to return after the withdrawal of the troops in July, 1923, and he had to be continually threatened from the air, his headquarters being occasionally bombed. In the middle of May, 1924, exaggerated reports of the agitation in Baghdad against the Treaty had encouraged him to more active rebellion. The

adjoining division of Kirkuk became affected and intensive air action was taken against Shaikh Mahmud, with the result that he abandoned Sulaimaniya, which was occupied in July, 1924, by a column of 'Iraq Army Cavalry, supported by Assyrian Levies. Shaikh Mahmud again fled over the Persian frontier and the remaining portions of the Sulaimaniya Division were placed under a very loose form of civil administration on behalf of the 'Iraq Government. This has not secured complete tranquillity from the local depredations of outlaws, but the town of Sulaimaniya is now again flourishing and the prosperity of the district is gradually returning. The zone of disorder has, at all events, been pushed far back from the borders of the settled districts of Kirkuk and Arbil. Sulaimaniya itself, like the Indo-Afghan border, has never from the remotest times been completely pacified, and it is too much to expect that this will now be accomplished in the twinkling of an eye.

Infringement of Status Quo Frontier by Turkey and laying down of temporary "Brussels Line."

In Article 3 of the Treaty of Lausanne it had been provided that the frontier between Turkey and 'Iraq should be laid down in friendly arrangement to be concluded between Turkey and Great Britain within nine months, and that, in the event of no agreement being reached, the dispute should be referred to the Council of the League of Nations. Pending the decision, the two Governments had undertaken that no military or other movement should take place which might modify in any way the present state of the territories in question. During May and the first week of June, 1924, Sir Percy Cox had carried on in Constantinople fruitless negotiations with the Turkish Government on the frontier question. The Turks had been adamant in their demand for the whole Mosul Wilayat, and their intransigence had probably been encouraged by the reports from Baghdad that the 'Iraq Constituent Assembly was about to reject the Treaty with Great Britain. On 9th June, 1924, the day before the 'Iraq Assembly accepted the Anglo-'Iraq Treaty, the Constantinople negotiations had broken down. There was now nothing left but a reference of the frontier dispute to the League of Nations, and, in preparation for this, the Turks renewed their efforts to stir up disorder on the frontiers. Disregarding their undertaking to maintain the *status quo* they sent the Wali of Julamerk with a small escort to visit Chal, which they had been informed in October, 1923, was claimed by the British Government to lie within the sphere of the 'Iraq Administration, and in the course of his progress he was ambushed by some Assyrian Christians and taken captive, but released. As the Assyrian country had since the war been loosely connected with 'Iraq and was claimed for 'Iraq in the Constantinople negotiations, it was evidently one of the areas from interference in which Turkey was pledged under the Treaty of Lausanne to abstain. Nevertheless, at the

beginning of September, 1924, the Turks concentrated troops for the invasion of this area, and, on the 14th, they crossed the River Haizil into what was undoubtedly 'Iraq territory. They were met by an attack from the air and driven back and thereafter diverted their march to the north through the territory of the Sindi Guli Kurds (still 'Iraq territory), through which they moved and laid waste the Assyrian country, driving the Assyrians, some 8,000 in number, down into the valley of Amadia, where they had to be supported by the 'Iraq Government. It was a remarkable testimony to the success of the 'Iraq Administration and to the good relations maintained with the Kurds that this incursion by the Turks did not lead to a general rising on the Mosul frontier against 'Iraq, for which the Turks had hoped, and which would have enabled them to claim before the League of Nations that the whole Kurdish population, at all events, desired union with Turkey. For the invasion had been well-timed. The League of Nations was at that moment sitting at Geneva to determine the delimitation of the Turco-'Iraq frontier. Having failed in their main object, the Turks agreed before the League to preserve the *status quo* until the frontier was decided, and a Commission was appointed to study the rival claims. A preliminary dispute as to the line of the *status quo* was settled by a special meeting of the League at Brussels in October, 1924, and this provisional line has since been known as the "Brussels Line."

Work of the Frontier Commission.

The Frontier Commission consisting of three Commissioners, eminent subjects of Sweden, Belgium and Hungary, reached Baghdad in January, 1925, and spent three months in examining the frontier. They were accompanied by General Jawad Pasha, who had recently commanded the Turkish forces on the 'Iraq frontier, as Turkish assessor, and Mr. Jardine, a British Administrative Inspector in the service of 'Iraq, as British assessor. The Turks had, in the preceding negotiations, demanded a plebiscite of the inhabitants of the Mosul Wilayat, but this had been resisted by the British on the grounds that the circumstances of the population made a plebiscite impracticable. The League of Nations had left the methods of enquiry entirely to the discretion of the Commissioners, who went a long way towards satisfying the Turkish demand and besides undertaking a detailed study of the racial, geographical and economic factors of the problem, made secret enquiries from representatives of all sections of the inhabitants in the territories under dispute, as to which government they would prefer, that of Turkey or 'Iraq. This inquisition, necessary as it might be, naturally tended to undermine the authority of the 'Iraq Administration among the unruly frontier tribes and to increase the effect upon them of the unceasing propaganda of Turkey. It was checked, however, by

the great revolt of the Kurds of Anatolia against the Turks, which began in the early months of 1925, before the conclusion of the labours of the Commission, and has at the time of writing hardly yet been completely suppressed. The moral hold of Turkey upon the Kurdish mind had in any case been much weakened by her expulsion in the preceding year of the Sultan and Khalifa, which was interpreted as a renunciation of Turkey's position as Head of Islam.

Question of the Christians of Mosul and of the Nestorian or Assyrian Mountaineers.

One of the chief matters of concern to the Frontier Commission appeared to be the future of the Christians of Mosul, and especially of the Nestorians or Assyrians, who, as narrated above, were at the time of the visit of the Commission refugees in 'Iraq territory. They numbered altogether about 20,000 souls, some from regions lying considerably beyond the northernmost frontier claimed by 'Iraq and some from the Hakkiari mountains north of Amadia, which were included in the 'Iraq claim. They had revolted against Turkey in 1916 at the instigation of Russia and then, being deserted by the Russians after the revolution, had fought their way through Persian territory to a junction with the British troops, losing two-thirds of their number in the process. The British had brought them into 'Iraq and maintained them there for three years, after which some were temporarily settled on vacant 'Iraq lands near Amadia and some encouraged to filter back to their deserted homes to the north. There they had stayed, repairing the damage as best they might, until once more expelled by the Turkish incursion of September, 1924. Numbers of them had, from 1921 onwards, entered the British service as Levies and had displayed mangificent fighting qualities, helping in the suppression of sporadic Kurdish insurrections and in the expulsion from Ruwandiz in 1923 of the Turkish irregulars. They were united in a determination never again to submit themselves to Turkish rule, but were also very suspicious of the 'Iraq Administration as that of a predominantly Moslem Government. The Arabs and Kurds of 'Iraq, on the other hand, were inclined to resent any signs of special favour shown to these people by the British, the more ignorant and fanatical of the Moslems of Mosul especially believing that the British were planning a perpetual domination of Northern 'Iraq by means of these Christian mountaineers. It has been, perhaps, my hardest task to disarm the suspicions entertained in these two opposite quarters; but a considerable measure of success appears now to have been attained and two successive 'Iraq Cabinets, those of Ja'far Pasha and of Yasin Pasha, have officially pledged the Government of 'Iraq to provide lands in 'Iraq for those Assyrians who may be dispossessed of their original homes by the decision of the League of Nations and to devise a system

of administration for them which shall ensure to them the utmost possible freedom from interference. It can hardly be doubted that this liberal attitude on the part of the Government of 'Iraq has had its influence on the deliberations of the Frontier Commission.

Political Events after the Departure of the Frontier Commission.

It had not been thought advisable to proceed with elections for the first regular 'Iraq Parliament until the Frontier Commission had completed its labours. The promulgation of the Organic Law passed by the Constituent Assembly in July, 1924, had consequently been delayed, so as to avoid an interregnum between the close of arbitrary Cabinet Government and the introduction of a Parliamentary régime.

On 21st March, 1925, on the eve of the departure of the Commission, the Organic Law was officially promulgated amid widespread rejoicings, and orders were given for the completion of the new lists of primary electors and for the commencement of the parliamentary elections. The Cabinet of Yasin Pasha had, shortly before taking these steps, passed four notable measures vital for the future prosperity and stability of 'Iraq. The first was the signature of an agreement with the Anglo-Persian Oil Company for the dredging of the bar at the mouth of the Shatt al Arab, so as to allow vessels of heavy draught to enter the Port of Basra. The second was the signature of a trade transit convention with Syria. The third was the grant to the Turkish Petroleum Company of a concession for the development of oil throughout the Baghdad and Mosul Wilayats, and the fourth was the signature of long term contracts with some hundred British advisers and officials, whose experience and devoted industry were thus secured for 'Iraq throughout the first and most difficult stage of her career as an independent State.

While the elections were in progress the Secretary of State for the Colonies despatched to 'Iraq a Financial Mission to enquire into the financial position and prospects of 'Iraq, so that the British Government might be able to carry out their promise to reconsider the provisions of the Financial Agreement after its ratification. The report of the Mission, which was completed by 25th April, 1925, strikingly justified many of the criticisms of the Financial Agreement made in the Constituent Assembly of 1924, as throwing upon 'Iraq burdens greater than she could bear. Its recommendations for the alleviation of these burdens were, when published, the cause of much public satisfaction in 'Iraq, and contributed to the election to the first 'Iraq Parliament of a majority of deputies actuated by the friendliest sentiments towards the British Alliance.

Another factor in this favourable situation was the visit to 'Iraq in the first half of April, 1925, of the Right Honourable

L. S. Amery, Secretary of State for the Colonies, and of the Right Honourable Sir Samuel Hoare, Secretary of State for Air. The visit cheered and encouraged those whose minds had been upset by the inquisitions of the Frontier Commission and convinced the Government and people of 'Iraq of the steadfastness of the interest of Great Britain in their affairs. It gave an unique opportunity to His Majesty King Faisal and the leading personages in 'Iraq to bring their various difficulties and anxieties fully and frankly before the British Government, and the substitution of personal discussion for paper impersonalities had the happiest effect. Particularly valuable were the discussions which took place between Mr. Amery and King Faisal and his Prime Minister as to the prerogatives and duties of the King under the newly promulgated Constitution, a question which urgently needed discussion, since His Majesty King Faisal had been inclined to withdraw more than was desirable from influencing the conduct of affairs of State after the coming into force of the Organic Law. The main preoccupation of the two Secretaries of State was, however, the more rapid improvement and training of the 'Iraq Army. Many conferences were held on this subject, and, before the Secretaries of State left, a scheme had been accepted which should enable the 'Iraq Army in a short time to take the principal part in the maintenance of internal security and the control of the 'Iraq frontiers, and should relieve the British Exchequer of its burden on this account, which at present amounts to something over £3,000,000 a year.

After the departure of the Secretaries of State, the elections were pushed on and were completed by 23rd June, 1925. There was no sign of any definite party activity, the various political parties which had been constituted in former years having died of inanition. On completion of the elections, the Cabinet of Yasin Pasha resigned as, owing to differences of opinion between the Prime Minister and the Minister of the Interior ('Abdul Muhsin Beg), they felt they could not face the Parliament as a united Cabinet. The King invited Yasin Pasha to form a new Cabinet, and on his failing, invited 'Abdul Muhsin Beg to do so. The Cabinet of the latter took office on 26th June, 1925.

The first 'Iraq Parliament met on 16th July, 1925, and was opened by King Faisal. Its first session has been devoted to the discussion of its own rules of procedure, to certain necessary amendments to the Organic Law and to the consideration of the Budget for 1925–26 in the light of the recommendations of the Finance Commission. Its debates have, so far, been characterised by earnestness and good sense, but it is too early to speak with confidence of its future.

Thus 'Iraq has now attained the first stage of her development. She has accepted, through her representatives, a Treaty of Alliance with Great Britain; she has passed an Organic Law and set up a stable and constitutional government under it. It only remains for her frontiers to be fixed according to the

decision of the League of Nations, before she can apply for admission to the League of Nations and take on the full status of an independent State.

Relations of 'Iraq with Syria and Persia.

I have left to the last an account of the relations between 'Iraq and her two neighbours Syria and Persia.

Between 'Iraq and Syria the only questions of interest have been the undelimited frontier near Jabal Sinjar (the Yazidi centre), Syrian transit trade through 'Iraq for Persia, squabbles between the 'Iraq border tribes of the 'Anizah and Dulaim on the one hand and the Syrian border tribe, the 'Aqaidat, on the other, and the new desert motor routes between Baghdad and Damascus. As to the Jabal Sinjar boundary, the frontier line laid down in the Anglo-French Convention of 1920 runs through the centre of Jabal Sinjar, and, if strictly followed, would cut the Yazidi tribe into half. In 1923 General Gouraud, High Commissioner for Syria, agreed that 'Iraq should administer provisionally the whole of the Jabal and an area to the west as far as Khatuniyah, Syria in exchange continuing to administer the whole of Albu Kamal on the Euphrates, which is likewise inconveniently bisected by the convention frontier. In 1925 this arrangement seems to have passed out of the minds of the French authorities; for they sought to extend their administration over the western portion of Jabal Sinjar. On my recalling the correspondence of 1923 to their minds they gave orders for a reversion to the *status quo*. In the matter of frontier squabbles, most cordial relations have been maintained between the administrations on both sides of the frontier, and there have been frequent conferences between them to settle tribal disputes. Regarding the new desert motor routes also there has been complete unanimity, and identical rules have been passed by the two administrations for safeguarding the interests of passengers. Both administrations have taken prompt measures against any persons threatening the security of the routes.

Between 'Iraq and Persia relations can be described as correct. Persia has not yet recognised 'Iraq, but is preparing to do so. Fierce anti-British and anti-'Iraq agitation was lighted in Persia by the departure from 'Iraq of the son of the Persian divine, Saiyid Muhammad Sadr, in August, 1922, under pressure from Sir Percy Cox, and this had hardly subsided when the exodus of other Persian divines in July, 1923, rekindled it. The most scurrilous attacks were made on King Faisal in the Persian newspapers, and the Persian Government, by way of bringing pressure to bear on 'Iraq, forbade the pilgrimage of Persians to the 'Iraq Holy Cities. This embargo, which has not yet been removed, undoubtedly inflicted much loss on the 'Iraq railways and on the inhabitants of the Holy Cities, but there have been great compensating advantages in the shape of absence of cholera and

other diseases, which the masses of pilgrims used regularly to introduce into 'Iraq. It is arguable that 'Iraq is really better off without this pauper traffic. A further recent cause of friction with Persia has been her claim that all members of the Arab tribes resident in 'Iraq who used to admit some faint form of tribal allegiance to the Shaikh of Mohammerah, should be recognised as Persian subjects, a claim which 'Iraq could never admit. It is to be hoped that when Persia has recognised 'Iraq, and direct relations exist between the two countries, these and other minor vexations will disappear.

Administration.

General Administrative System.

Against the historical background described in the foregoing pages I will now attempt to give an idea of the working of the administration. Its guiding principle since the arrival of Sir Percy Cox towards the end of 1920 has been self-government, 'Iraq governed for 'Iraqis and by 'Iraqis, helped by small numbers of British advisers and inspectors. I have already shown how, up to that time, the British and Indian element predominated, and how this fanned the flames of fanaticism and xenophobia, and was probably one of the causes of the rising of 1920. Many regarded with disfavour the new policy of the appointment of 'Iraqis to all executive posts except in certain technical departments. They prophesied that all efficiency would disappear and the land revert rapidly to the anarchy of the last years of the Turkish administration before the war, when Turkish garrisons and officials sat practically besieged in the headquarter towns and even the main routes were insecure. The experience of the past five years has belied that prophecy, and 'Iraq may claim that never before in the long course of her history has she enjoyed such peace within her borders. This has been achieved in spite of the constant efforts of Turkish malice among an ignorant and largely tribal population, tempted to recklessness by the prolonged uncertainty as to its future, which has been the product of the diplomacy of the Turk.

The Government is divided into Departments, each under its appropriate 'Iraqi Ministry, and in each Ministry there is a British Adviser, who has the right to bring before the Cabinet of Ministers as a whole any important question on which his Minister and he cannot agree. He is also expected to keep the High Commissioner acquainted with the main trend of the working of his Ministry, so that the High Commissioner may, if necessary, offer his advice to the 'Iraq Government. The Cabinet meets two or three times a week, and copies both of the agenda of its meetings and of the resolutions which it passes are sent simultaneously to the King and the High Commissioner, who informs the Royal Diwan and the Secretary to the Cabinet, without delay, of any comments which he may have to make.

The King then issues his " Iradah " or decree upon the Cabinet resolutions, accepting, rejecting, or referring them back, as the case may be. Now that regular parliamentary government has been introduced some change may have to be made in this procedure, but it is not likely to be great since, under the constitution, practically all proposed legislation has to be adopted by the Cabinet before it can be passed through Parliament. There are eleven Liwas or Divisions, each with an 'Iraqi Mutasarrif or Commissioner as head of the executive and a British Administrative Inspector to advise him. In practice, as there are only twelve British Administrative Inspectors, and a percentage is usually on leave, there are usually not enough to go round, and several divisions are without British Administrative Inspectors, being visited occasionally by those from other divisions. When it is considered that one out of the eleven 'Iraq Divisions, that of Mosul, is larger in area than the whole of Palestine, contains a not much smaller population (Mosul Division, 432,500; Palestine, 757,182), and one of a far more unmanageable and varied nature (Arabs, Kurds, Turcomans, Yazidis, Christians and Jews), and that it is also a frontier tract, exposed to all the alarums and excursions which the Turks can engineer, it seems miraculous that one British Administrative Inspector should suffice for its superintendence, as compared with the nineteen British District officials found necessary for that of Palestine. The system described above has hitherto worked smoothly, and I know of no recent instance in which harmony has not been established between the 'Iraqi Ministers or Commissioners on the one hand and the British Advisers or Inspectors on the other. This speaks much for the type of British officer which 'Iraq has been so fortunate as to secure. I may perhaps fitly record here with gratitude that equally excellent relations have existed between His Majesty King Faisal and myself, and also between the 'Iraq Cabinet Ministers and myself. From the top to the bottom of the administration British advice, which is never unnecessarily proffered, is now received by the 'Iraqi officials in the spirit of friendly co-operation in which it is given. This is the really great change in 'Iraq since the year 1920.

Forces of Order and Public Security.

I need not recall at length the obligations of 'Iraq to the Royal Air Force, upon which former reports have insisted. The power and efficiency of that force overshadows the whole country and must be realised as backing up all other instruments of security. The population is notoriously difficult to manage, with its wandering desert Arabs affected by Wahabi doctrine all along the west, then its fanatical Shiah Holy Cities, then the insubordinate riverain and swamp Shiah tribes of the Middle Euphrates and of the lower Tigris, then the great predatory Arab tribal confederacies of the Sunni faith extending over the

northern deserts, the settled Kurds of the cultivated plains of Mosul and Arbil, mingled with Christian villages, the fierce tribal Kurds of the mountainous Turkish and Persian frontiers, and, in the midst of them all, the vividly intelligent and politically minded town Arabs and Jews of Basra, Baghdad and Mosul, who are as far apart from the rest of the population as Europeans themselves, yet have a great influence upon it. The perpetual conflict of these jarring elements has kept 'Iraq disturbed throughout the past two thousand years. The forces of order, other than the Royal Air Force, are four British and Indian Infantry Battalions, the British-officered Levies (Cavalry and Infantry), the 'Iraq Army and the 'Iraq Police. Since July, 1923, the British and Indian battalions have not been used on operations, which have been conducted entirely by Levies, 'Iraq Army and Police in various combinations, with the help of the Air Force. The Levies, which had existed in inchoate form before 1920, but mainly as local gendarmerie, are now a remarkable and highly trained body, numbering 4,876 men, composed of some purely Assyrian battalions (Nestorian Christians), one battalion of Swamp Arabs from the Tigris area, and two Cavalry regiments, mainly Kurds and Turcomans. The Assyrian battalions have been more constantly used than the rest, since most of the operations have been in the Kurdish hills and the Assyrians are experts in mountain warfare. The administration of the Levies is under my control; but for operations they fall under the control of the Air Officer Commanding.

The 'Iraq Army was started only in the middle of 1921, after the Cairo Conference, and has thus only had four years of existence. It now numbers 8,000 men, is officered by 'Iraqi officers, helped by some British Liaison and Training officers, whose numbers are being increased. It has seen less active service than the Levies, but played the principal part in the march on Sulaimaniya in July, 1924, when Shaikh Mahmud was finally expelled from that town. It has acquitted itself creditably, especially in recent months, and is now responsible for garrisoning most of the posts on the Turkish border. It is controlled by the Ministry of Defence.

The 'Iraq Police were formed in 1920 and are the creation and the pride of Colonel Prescott, Inspector General. They are perhaps the most efficient institution in 'Iraq and earn the praise of all who see them, being smart both in appearance and in their work. They have been constantly obliged to carry out what are really military duties, especially in the frontier districts. They number some 6,000 men, including a desert camel corps in the Dulaim district, and have attached to them fifteen British Inspecting Officers, the executive command being in the hands of 'Iraqis and the rank and file Arabs and Kurds in bout equal numbers, with a few Assyrians in the northern districts. They are controlled by the Ministry of the Interior.

These are the forces on which 'Iraq depends physically for security. But it is doubtful whether the moral element has not had an equal share in bringing about the present unexampled state of peace. I attribute it largely to the methods for the treatment of the tribes evolved under British advice in the early stages of the military occupation and admirably carried on by the present 'Iraq administration. I cannot perhaps write of this impartially, since I was myself responsible in 1915 for the drafting of the Tribal Disputes Regulation under which these methods are applied and organised. In Turkish times the executive was entirely divorced from the judicial power, and all offenders, even the wildest tribesmen, were tried before the regular courts. Tribal customs, the unwritten laws of torts and compensation, by which tribesmen naturally settle their disputes and terminate their blood feuds, were ignored, and these wretched and ignorant men were forced into the strait waistcoats of a rigid and, to them, incomprehensible judicial code. In consequence, a tribesman would never submit himself to a Turkish court if he could help it, and the land was filled with outlaws, fugitives from justice. Under the Tribal Disputes Regulation, now in force, the Mutasarrif or Commissioner has the power to exclude the regular judicial courts from taking cognizance of any tribal dispute, and to convene a body of tribal arbitrators to decide it according to tribal custom. To these tribal courts the tribesmen gladly resort, their differences are composed and rough justice, recognised by all, is done. Joint tribal responsibility is enforced when individual offenders cannot be detected or brought to book, and the agency of the tribal shaikhs is largely used. Thus the loose but powerful tribal organization has been harnessed to the uses of government instead of being made to pull against it, and the tribes are content. This tribal contentment is, I believe, the real foundation of the peace of 'Iraq.

Justice.

The judicial system has not been greatly changed since the days of military occupation, although the British personnel has been reduced. With the exception of the Adviser to the Ministry of Justice and four British judges the entire judicial staff is 'Iraqi. The British judges are the President of the Court of Cassation (the supreme court of Civil and Criminal Appeal) and the Presidents of the Courts of First Instance and Courts of Session at Baghdad, Basra and Mosul respectively. The law administered in the Civil Courts consists of the body of Ottoman legislation in force at the date of occupation, in so far as it has not since been altered by local legislation, while the Criminal Courts observe the Baghdad Criminal Procedure Regulations and the Baghdad Penal Code, which are founded upon the Sudan and Egyptian Codes. The Ottoman Penal Code, being complicated and ill-arranged, has never been used since the date of occupation.

In addition there are the special courts of tribal arbitration assembled under the Tribal Disputes Regulation already described, and Religious Courts of three classes, the Shar'ah or Moslem Courts, the Jewish Ecclesiastical Courts, and the Christian Ecclesiastical Courts. These have jurisdiction in matters of marriage, attestation of wills and in matters of personal status. Lastly, as a substitute for the judicial capitulations under the Turkish *régime*, a special Constitution of Courts has been devised in accordance with the Judicial Agreement, for the hearing of Civil and Criminal proceedings to which foreigners are parties. Such courts are presided over by British judges.

The work of these courts has on the whole given satisfaction, though they have been hampered by the low general standard of legal practice obtaining among the majority of 'Iraqi advocates. On the criminal side, it is difficult to say how far the application of the law is being progressively deterrent, since no statistics of Turkish times exist for purposes of comparison. The population is unfortunately prone to crimes of violence, especially in the frontier districts, and its tendencies cannot be eradicated in a few years. In truth, however, such crimes are even now less numerous in proportion to the population than in many districts of British India which have been under British administration for generations.

Finance.

The Fiscal and Revenue system remains in principle on the old Turkish basis, and the revenue is derived mainly from customs and tithes, in addition to the rent derived from the vast State domains, and from taxes on animals. In the 1924 Budget, which may be taken as typical, the receipts from Customs and Excise figure as 234.58 lakhs of rupees, and those from land, animals and natural produce at 150.05 lakhs, out of total receipts of 509.97 lakhs. Thus roughly 384½ (£2,863,756) out of 510 lakhs (£3,798,480) are derived from land revenue and customs. It has been calculated that in the last years of the Turkish *régime*, a typical year selected being 1911, the total of receipts was the equivalent in Turkish currency of 220 lakhs of rupees, against the present 510 lakhs. The taxation per head of the population has thus more than doubled since the war and now stands at about £1 4s. per head, which is very high for a poor Oriental population and much higher than the taxation per head in India. The increase has been almost entirely in customs, and is partly due to the larger amount of goods passing through 'Iraq for Persia which pay moderate transit dues. It cannot be denied that 'Iraq has made great efforts to meet the financial demands upon her, and had it not been for the sudden necessity for the expansion of her army, thrust upon her by the signing of the Protocol and the shortening of the period during which she can count on British help, she would be able to make both ends meet, even to the extent of paying in full the Ottoman Debt

Annuities. The report of the recent Financial Commission has made this clear. In April, 1921, 'Iraq was started with an independent financial status, in accordance with the resolutions of the Cairo Conference, without being given any cash balance to begin with. The country had scarcely begun to recover from the damage inflicted by the rising of 1920 and the prices of agricultural produce were beginning to tumble down. In these circumstances there were deficits in the first two years, 44 lakhs (£327,712) in 1921-22 and 11 lakhs (£81,928) in 1922-23. For the two succeeding years, those during which I have been High Commissioner, these deficits have been changed into a surplus, which has been 95 lakhs (£752,540) in 1923-24 and 65 lakhs (£516,620) in 1924-25, so that altogether in the four years of financial independence there has been a net surplus of 105 lakhs (£782,020). This result, which is subject to final accounting adjustments, has been achieved largely under the able guidance of Sir Sasoon Haskail, Minister of Finance during the greater part of the period in question. When it is realised that the country has throughout this period been under the strain of perpetual threats of invasion from Turkey, and of complete uncertainty as to her frontiers, a strain which has necessitated the maintenance of a very large police force and has at the same time frightened away all outside capital from investment in the country, it will certainly be conceded that 'Iraq has done well. She has not been able, as was Palestine, to supplement her resources by temporary loans from the Crown Agents, which in the case of Palestine have amounted to £2,000,000 during the same period. Had it not been for the imposition of the cruel burden of the Ottoman Debt, from which 'Iraq, always the Cinderella of the Turkish Provinces, never benefited a penny, she would be able to pay her way and create an adequate army without trouble. As things are, the new burden of the Ottoman Debt, calculated for the current year 1925-26 at 57 lakhs of rupees (£424,536), must, if the 'Iraq Army is expanded as is thought necessary to enable the British forces to be reduced, produce a large deficit, unless heavy reductions in expenditure in other directions and increases of taxation can be achieved. These are now under consideration, but the task will be a hard one in view of the height to which taxation has already risen, the commercial depression reigning in the towns of Baghdad and Basra, and the famine which is at present desolating the whole of the Mosul division and causing grave distress in several other parts of the country. If, however, 'Iraq can get through this year by hook or by crook (and she may well be able to arrange some postponement of the Ottoman Debt charges), there is no reason why she should not have a bright financial future. With her frontiers fixed, foreign capital will no longer be shy of investment, irrigation will increase, the valuable cotton crop will be substituted for the less valuable wheat and barley, and the operations of the International Turkish Petroleum Company, if on a

scale anything like that anticipated, will pour money out upon the land. But it must always be remembered that a sudden financial renaissance of 'Iraq cannot be expected on the lines of that of Egypt under Lord Cromer. 'Iraq is not in possession of a teeming population of cultivators, a well-regulated and fertilizing river and an opulent sea-board, nor is she free, like Egypt, from any formidable potential enemies on her frontiers. She has been wasted by centuries of Turkish rule and much more closely resembles the Sudan after its release from the Mahdi than Egypt. If even now, after thirty years of direct British administration, the Sudan cannot yet pay its way without subsidies, we must not grow impatient because 'Iraq, after only five years of stumbling upon her own feet in the confusion following on the war, is not in a very brilliant position.

Public Works and Communications.

The most striking of the physical features of 'Iraq is the complete absence of stone or road-making material of any kind except in the extreme north and on the eastern frontiers. The land is uninterrupted alluvial clay, dust or corrugated ruts for three-quarters of the year and deep mud of the most adhesive kind for the four months of winter and early spring. The making of long stretches of macadamized roads is, therefore, out of the question. All that can be done is to pave with stone and bitumen at immense expense in the towns of Basra and Baghdad and, in the rest of the country, to align earthern tracks by ditches and do one's best to smooth out the worst ruts after the rains, and to build bridges and culverts over rivers or irrigation channels. In short, in 'Iraq road-building is bridge-building and little else. A very large amount of bridge-building or repair has been carried out by the Public Works Department on certain main roads, such as that along the Tigris from Basra to Baghdad, that from Baghdad to Kirkuk, from Baghdad to Mosul and from Baghdad to Ramadi on the Euphrates, whence the great trans-desert motor routes start for Damascus. The distances to be superintended are immense, but by the operations of the Public Works Department upon the roads, 'Iraq, from being a country dependent almost exclusively upon water transport, has come to rely largely on motor cars. Of these there must be several thousands in the country, and their number is being constantly augmented by fresh arrivals from Syria. In fact the profession of motor driver and owner has absorbed quite a large proportion of the youth of the country, and the knowledge which they must perforce gain of their engines is spreading automatically a rough technical education and adding to the natural intelligence of the people. The ease of communication with the Mediterranean and Europe has transformed the spirit of the land. Fathers of moderate means think nothing of sending their sons across the desert to the American College at Beirut. Cabinet Ministers, officials, professional men and merchants make light of a trip

to the Lebanon or Egypt. London, which until three years ago was nearly four weeks away, can now by the quickest route be reached in eight days from Baghdad, which is, therefore, as close to London as Edinburgh was at the beginning of the nineteenth century. The recognised desert motor companies give a return fare from Baghdad to the Lebanon for £35, but the casual Arab motor owner and driver will take you across for £5 or sometimes less. A tale is even told of an Arab who went to Paris from Baghdad for £6 all told in ten days, across the desert to Beirut for £1, from Beirut to Marseilles steerage for £2, and from Marseilles to Paris by rail for £3. The circulation of this tale is not encouraged by the regular transport companies.

The Public Works Department has devoted more energy to building, electric lighting and water-supply. The Turks had left 'Iraq almost without decent hospitals and schools, and water-supply systems were unknown. Since 1920 the Public Works Department has constructed about a dozen good new school buildings, three hospitals, of which the Maude Memorial Hospital at Basra is a noble example, and five systems of water-supply for Baghdad, Basra, Mosul, Arbil and Nasiriya. The water-supply and electric lighting systems have been built at the expense of municipal funds. The Department has also built a number of miscellaneous Government buildings and offices, of which the King's Palace, the Government Press, the Agricultural Institute and the Theological College (built from Waqf moneys) may be cited.

The railways are the property of the British Government, and their administration was not made over to the 'Iraq Government until 1st April, 1923. They consisted, when taken over, of 185 miles broad gauge from Baghdad to Sharqat (the terminus for Mosul), of which 76 miles as far as Samarra had been constructed by the German Baghdad Railway Company before the war, and of 562 miles of standard gauge from Basra to Baghdad and thence on to Khanaqin, the terminus for Persia. The 'Iraq Government has itself added a short branch from the former terminus outside Basra to Basra City, a branch 64 miles in length to Kirkuk to tap the vast rain-watered, grain-growing districts of that area, and a branch to Karbala to take the Persian pilgrim traffic to the Holy Cities. It is intended, if funds can be borrowed during 1926, to continue the Kirkuk extension through the Arbil Division to Mosul and thereafter to abandon that part of the broad gauge section towards Mosul which lies between Samarra and Sharqat, and which has only been provisionally maintained until the more profitable Kirkuk—Arbil—Mosul line is completed. With normal harvests the Mosul extension should add immensely to the earning capacity of the system. With the exception of the German-built broad gauge section, the railways taken over by the 'Iraq Government in April, 1923, were, in the words of the Financial Mission, " hastily built in war time and much of the material used in their construction was old when it was

used. The numerous bridges are of temporary construction and are largely made of old material. The buildings are also of a temporary nature. Many of the locomotives and much of the rolling stock were old when first bought for the service of the lines. The system has been subjected to severe wear and tear during years of military operations. There is urgent need for the replacement of bridges and for the renewal of permanent way, of rolling stock and of locomotives. Unless such renewals and replacements are made, the lines will become unsafe and unworkable within two or three years. No reserve has been accumulated out of which their cost can be met. The Director of Railways advises us that some 72 lakhs (£536,256) will be required for these purposes during the next four years, if the railways are not to close down." It may be noted here that had 'Iraq received the same liberal treatment as Palestine, and been enabled to borrow from the Crown Agents a sum of £2,000,000 for railway improvements as was Palestine, the 'Iraq Railways would have a very different tale to tell. Before their transfer to the 'Iraq Government they received £300,000 from the British Government in 1921–22 and £70,000 in 1922–23, but this was very inadequate. The Finance Commission has put the value of the interest of the British Government in the Railways at 250 lakhs of rupees (£1,862,000), and has made recommendations for its treatment.

The working of the railway system as a whole has shown the following results during the last three years :—

Year.	*Surplus.*	
	Lakhs.	£
1922–23	3·35	(24,950)
1923–24	7·78	(57,945)
1924–25	7·50	(55,860)

As has been explained, this cannot be regarded as a true surplus, since urgently needed renewals have not been made, the surplus being devoted towards extensions which were held to be even more urgently necessary in the general interest of the country. It was, indeed, under particular pressure from me that the Kirkuk extension was persisted in at a time when the 'Iraq Government was hard put to it for funds. The pressure was justified, as the news of the coming of the railways has had an immediate effect on the whole of Southern Kurdistan, and the problem of its control has been greatly simplified. The competition in rates between the Railways and the Tigris steamers has been beneficial to the 'Iraq public, though a sad bug-bear to the Director of Railways.

Large railway workshops have recently been constructed at Baghdad, which form a useful centre for the training of 'Iraqi youths in mechanical work.

Within ten years, when, as is hoped, the Turkish Petroleum Company has produced oil enough to warrant a pipe line to the

Mediterranean, there will almost certainly be a railway from a Mediterranean port alongside the pipe line. This will be linked on to the Central Persian Railway, now believed to be under the contemplation of the Persian Government, to run from the Persian frontier near Khanaqin across Persia to Duzdap, the present terminus of the Indian Nushki line. The whole passenger traffic between Europe and Persia and India, avoiding the Suez Canal and the dreary passage over the Red Sea and Indian Ocean, will then pour through Baghdad. It will have the choice of railways and airways. For already a project is almost complete for a subsidized civil air transport company to carry mails and passengers from Egypt to India across 'Iraq. If, then, 'Iraq can only be helped to ride out the present lean years of commercial depression, she may again become the great traffic centre of the East and again enjoy the splendour of those centuries when all the caravans of Asia entered her borders, shedding wealth upon her and quickening her wastes.

Under the head of communications, it remains only to mention the Department of Posts and Telegraphs. This is efficiently conducted. There are 76 post and telegraph offices and telephone exchanges in all the principal towns. The immense distances to be covered make profitable working difficult. The mails are carried over a total distance of 3,362 miles, of which only 809 miles are by rail, 1,388 by motor, 405 by river transport, and 760 by pack animals and runners. The total length of the telegraph and telephone systems is 3,166 miles, and the Department also possesses a wireless installation at Basra. The receipts of the Department only just balance the expenditure. The Department has been signally successful in training 'Iraqis for its technical work, and has consequently been able greatly to reduce the number of its Indian employés. Like the railways with their workshops, the Postal and Telegraph Department is an excellent school of technical training for the youth of the country.

Irrigation.

On the side of Irrigation, there has not been such constructive activity, but much preliminary inquiry and survey of possible projects. A large portion of the funds of this Department has been spent in the upkeep and renovation of the immense dykes which have to be maintained along the banks of the Tigris and Euphrates to prevent the floods devastating the country. The floods of 1923 were phenomenal in both rivers and involved very heavy expenditure. For the rest, the Irrigation Department has occupied itself with surveys of irrigation projects, especially on the middle Euphrates, where the peace of the tribes depends mainly on the proper distribution of their water, and with the maintenance of the Hindiya Barrage and other canal systems which were in existence before 1920. It has been under the

auspices of the Irrigation Department that the great Asfar concession for irrigation and cotton planting has been granted. If this is successful, its first undertaking will be the construction of a dam 100 ft. high and 9,200 ft. long across the Diyala River, to make a huge reservoir, the waters of which will irrigate 1,500,000 acres a year, of which 500,000 acres will annually be under cotton. The concessionaires will begin by inaugurating small experimental areas on the Diyala and Euphrates in order to ascertain the yield per acre of cotton when grown on a commercial basis. About 600 acres have been sown by the concessionaires with cotton on the Diyala in 1925 and there is every promise of an excellent crop. (This does not imply that there is any doubt as to the possibilities of cotton growing in 'Iraq, for in 1924 the produce of long staple cotton delivered to the British Cotton Growing Association was 2,500 bales.)

The possibilities of irrigation are, as is known, almost unlimited. But the neglect of centuries under the Turks has ruined the river systems and converted them into a series of deep river-troughs, ending in unmanageable swamps. All the resources of modern science will have to be called in before the ancient capacity of the land and water can be restored.

Public Health.

The chief diseases against which the Health Services have to fight are cholera, plague, malaria, bilharzia, smallpox and tuberculosis. The difficulty of combating these has been much increased since Turkish times by the development of communications. In former days the only means of transport were steamships up and down the Tigris between Basra and Baghdad, a journey that took from a week to a fortnight, country boats travelling slowly along the subsidiary waterways, and land-travel by foot or by animal transport. Communications with other countries was still more difficult, and a journey from Baghdad to Syria or Tehran was a matter of three weeks to a month. Infectious disease was confined to local outbreaks which, when occurring in a large town, were sometimes of terrifying proportions, but which were shut off easily from other parts of the country by closing to all travellers the road and river routes through the infected area. Persons infected in one large town could with difficulty reach another town before developing the disease. Nowadays all this is changed and the responsibilities of the Health Services are far greater. They have fought cholera by control of the routes and by compulsory inoculation. In the summer of 1923 a successful campaign waged on these lines arrested the march of cholera northwards from Abadan, where it started with terrible intensity. Baghdad was saved from an epidemic which had affected all the southern areas, and along with Baghdad were saved in all probability Syria, Anatolia and Palestine. For, if once the disease had got past the defences of

Baghdad, from which all routes radiate, the rapidity of the new motor traffic, overleaping the desert barriers, would have spread it throughout the Middle East.

Plague occurs practically every winter, the towns worst affected being Baghdad and Basra. The Mosul Wilayat has not yet been infected, probably because of the lack of railway communication with it. A large stock of plague vaccine is always kept in hand, and it has been useful in checking epidemics, though the severity of the reaction following inoculation prevents its being popular. Malaria is widely prevalent in Southern 'Iraq and in the submontane area along the whole of the hills on the north-east and northern frontiers. In Southern 'Iraq anti-malarial measures are practically impossible because removal of the conditions which produce malaria would, in that part of the country, also remove the conditions on which the inhabitants depend for a livelihood. For instance, drainage of the marsh areas would ruin rice cultivation and closure of the myriad small creeks in the Basra area would destroy the date industry. The only possible palliative is the distribution of quinine, and in 1923 and 1924 about 7,000 lb. of quinine were distributed at a cost of Rs.2,30,000. In the submontane areas to the north much more could probably be done by drainage, but political conditions have so far prevented this being attempted. Bilharzia appears to prevail throughout the southern malarial area, but its treatment is difficult, as the population is indifferent although severely affected. Smallpox is endemic among all the tribes, who have gratefully accepted the vaccination put at their disposal by a staff of travelling vaccinators. The number of cases of tuberculosis reported has progressively increased, perhaps because of better notification of cases. Some, however, think that the increase is actual and is due to a lower standard of living now that the population have lost the free flow of money that came to them from the British Government during and after the war and have reverted to their harder but more normal existence.

Perhaps almost worse than the epidemic diseases are the eye diseases which mar the sight and appearance of many of the population. It is estimated, for instance, that 80 per cent. of the population of Baghdad have trachoma, and a large proportion of these suffer permanent damage to their sight. Two ophthalmic specialists are employed, the Chief Specialist being posted in Baghdad and the second in Basra. In 1924 the number of new cases treated was 16,388.

But, when all is said and done, the crying evil of 'Iraq is the appalling child-mortality which so far seems to have been little checked. There are no trustworthy birth and death statistics; but this mortality among children is notorious. The parents are prolific but the families are small, even well-to-do persons usually admitting that they have had about nine or ten children

and only reared two or three. This explains the dearth of population which is an embarrassment above all to the Irrigation Department. For irrigation schemes cannot be made to pay without a teeming population crying out for land. The principal explanation of this child-mortality seems to be the ignorance of the mothers, a strange phenomenon in a race so little removed from primitive conditions. The only real remedy for this state of things seems to be the gradual enlightenment of the women. The three Municipal Health Departments of Baghdad, Basra and Mosul do valuable work in this respect. They comprise conservancy departments, sanitary departments, registration of births and deaths, infant welfare centres, supervision of water purification, disinfection centres and training of midwives.

With the exception of a Jewish hospital in Baghdad, all the public hospitals and dispensaries in the country are maintained by the 'Iraq Government through its health services. This is in marked contrast with Palestine, where two-thirds of the lavish medical facilities afforded to the public are by charitable institutions of Christian or Jewish foundation. Though 'Iraq is a holy country to a large section of the Moslem world, it unfortunately does not attract charitable endeavour, and the only funds which might be available are those of the Waqf, which devotes them to religious purposes. The Finance Commission has suggested that these funds might well be tapped for the sake of public health, and it is not unlikely that the new 'Iraq Parliament may take the idea up. At present the Health Services maintain 18 hospitals and 32 dispensaries. In addition British civil surgeons have made regular tours among the tribes and practically no part of the country remains unvisited. Leading personages among the tribes are frequently brought into Baghdad by aeroplanes for medical treatment, if they happen when ill to be visited by an air reconnaissance in the desert.

The Royal Hospital in Baghdad is perhaps the most impressive institution in the country, with its X-ray Institute, Anti-Rabies and Vaccine Institute, its opthalmic and surgical specialists and its Chemical Examiner's Department. The good which it has done is inestimable; but it must fail of its full effect until there are more qualified 'Iraqi doctors willing to work in outstations. Their unwillingness to do so is the great defect of the health service. Nevertheless, the service as a whole had worked magnificently, in spite of the most rigid economies which have been forced upon it.

Education.

In no one department of the Government has there been a greater revolution since Turkish times than that of Education.

The Turkish system provided in theory a comprehensive scheme of education based on European, chiefly French, models. It included a sensible curriculum, with primary schools, secondary schools, technical schools, a law school, two training colleges,

girls' schools, and scholarships to higher schools at Constantinople. In practice the system was a comparative failure. This was chiefly for the following reasons :—

(1) More attention was paid to the appearance than to the reality. Thus, a Turkish educational report of 1915 states that in 160 primary schools in 'Iraq there were 6,470 registered pupils, or an average of 40 pupils per school; and the actual attendance fell far below the registered attendance.

(2) The medium for instruction was Turkish—a foreign language to nearly all except the children of officials.

(3) After 1908, schools became more propagandist and military in their spirit, and were avoided by those who did not wish to be Turkicized.

(4) The general level of the teachers was low. This at least is the impression gained from an acquaintance both with those who taught and those who studied in the schools of 'Iraq. Accuracy was not insisted on. No mental effort except that of memory was demanded from the pupil, and the teachers were generally incapable of discriminating between important and trivial points.

(5) The system made no impression on the mass of the people. These received such education as they got from the Mulla Schools, which taught reading, writing and religion in the most antiquated and insanitary conditions.

After the occupation of Baghdad, in 1917, it was the task of the British Government to build up something from the relics of the old system. Arabic, or the local vernacular in places where Kurdish, Turkish, Persian, or Syriac was spoken, was adopted as the medium of instruction. Turkish was undesirable except in Turkish-speaking centres like Kirkuk; English, even before the setting up of an Arab Government, impossible. The adoption of Arabic was, however, by no means a simple matter. Comparatively few 'Iraqis either wrote or spoke correct Arabic, and in the Training College and all the schools, about one-fifth of the time has to be devoted to its study. English is now taught as a second language to all classes above the fourth year primary.

Great efforts have been made to provide a sound educational grounding and to ensure that attendance at a school means more than passing in at one door and out by another or out by the same door. Thoroughness is alien to the spirit of the people, but eight years of insistence on it has provided the country with an education that is sound as far as it goes. Every year untrained teachers are being replaced by teachers from the Training College, and for the Secondary Schools Syrian teachers are being employed until 'Iraqis of the necessary standard are available.

Besides government schools there are some 300 Quran or Mulla schools and a large number of community schools, maintained by Jews, Chaldeans, Syrian Catholics, Old Syrians, Nestorians and Armenians, at the expense of and under the management of the community. These are less numerous than in Turkish times, since most of the Christian village schools, formerly managed by the community, have now become government schools through the absorption of their staffs into the cadre of government teachers and their adoption of the government primary syllabus. This change has constantly raised the efficiency of the schools. It is generally acceptable to the laity of each community, though not to the most conservative of the priesthood. The future of these communities depends on their becoming homogeneous and not alien elements in the young State of 'Iraq, and it is hoped to bring about this result by teaching them that it is possible to become 'Iraqis without ceasing to be Christians. In addition there are missionary schools conducted by the Dominicans in Mosul, the Carmelite Brothers and Sisters in Baghdad and Basra, the Protestants in Baghdad and the American Presbyterians in Basra and Mosul. In two of the community schools and four of the missionary schools the chief medium is French, because the teachers are either French or trained in France.

In government schools admission to the four lowest primary classes is free. In the fifth and sixth classes the fee is Rs.15 a year, but free pupils may be admitted on grounds of poverty up to 25 per cent. of the total number. In the secondary classes the fees are Rs.30 a year. In the Teachers' Training College tuition and boarding are free.

The total budget expenditure for education was, in 1924, about 21.50 lakhs (£159,132), or about 4 per cent. of the total expenditure of the country. The Finance Commission has reluctantly recommended that this sum shall not be exceeded during the next few years. There are 205 government primary schools with 18,408 pupils, 39 government-aided schools and four government secondary schools at Baghdad, Basra, Mosul and Kirkuk. There has been a marked improvement in the quality of education, due partly to an improved system of inspection, partly to the increasing proportion of teachers from the Government Training College at Baghdad, where there are now 240 students. There is no secular university in the country and most 'Iraqi students desiring higher education turn to the American University of Beirut, where 120 boys are studying at their own expense. There is a Law School at Baghdad which is potentially though not actually a higher school, capable of being developed into a Faculty of Law. Its standard is at present disappointing.

A remarkable educational development has been the Ma'had al Ilmi', an association founded in 1922 to organize lectures on advanced subjects for adults and night classes for illiterates, but

now devoted exclusively to the latter object. It claims to have 5,000 members distributed over Baghdad and 40 other centres. The night classes are mostly held in school buildings and the greater part of the teachers are government schoolmasters. The subjects taught are chiefly Arabic reading and writing, English, arithmetic and geography, and most of the expenses of the Society are met by private donations. In 1924 it started six night classes for adult women in Baghdad, the mothers of boys and girls who attend government schools by day. This may mark the beginning of far-reaching social and educational changes, for a nucleus of educated women would do much to solve the social, religious and educational problems of the country.

The Boy Scout movement has had a resounding success throughout the land. It is carried on in practically every school, and the periodical reviews of some 2,000 scouts in the capital attract crowds of enthusiastic spectators. The movement is full of hope for the future and does much to encourage the tender plant of 'Iraq nationality.

Archaeology.

Before the war 'Iraq had been the scene of famous excavations; indeed, the German work at Babylon was carried on fitfully until the occupation of Baghdad, but archaeological research had not been facilitated here, as in Egypt and Palestine, by the establishment of foreign schools. There is as yet no nucleus for study, and the absence of expert advice and co-operation was greatly felt when, in 1922, a Department of Antiquities was formed in the Ministry of Communications and Works.

By Article XIV of the Anglo-'Iraq Treaty the 'Iraq Government was under obligation to enact a Law of Antiquities on the lines laid down in the annexure to Article 421 of the Treaty of Sévres. This law, as sanctioned by Royal Iradah in June, 1924, is almost identical with the Palestinian law, and has been found in practice to work satisfactorily in the interests both of the 'Iraq Government and of excavators.

In anticipation of the law, which was still under consideration, excavations were begun at Ur in October, 1922, on behalf of the British Museum and the University of Pennsylvania, and in March, 1923, an expedition sent by Oxford University and the Chicago Museum embarked on the excavation of Kish. Three seasons' work have amply justified the choice of site in both cases.

Some preliminary digging carried out by Professor Hall in 1919 had shown that Ur was likely to repay research very richly, but results have exceeded the most golden expectations. Mr. Woolley, who is in charge of the work, has laid bare a series of monuments going back to the Third Dynasty of Ur, that is to say to the early centuries of the third millenium before Christ. He also disengaged from accumulated debris the great brick

zigurrat and revealed the triple stair by which the summit was approached, cleared the courts at its foot and uncovered a remarkable building which he believes to be a monumental gateway used as a Court of Justice. The whole group has to the eye an architectural value which is rarely preserved in brick buildings of such high antiquity. An abundance of objects, some of them being of the greatest importance, was secured.

An even more sensational discovery was made at Tall al 'Ubaid, a small mound some four miles from Ur. Professor Hall had tested the site with signal success; more extensive work revealed a temple and graveyard of the fourth millenium B.C. The temple façade had been richly adorned with friezes of bulls, worked in copper or inlaid in stone on a background of bitumen. By an exceptional but well-deserved piece of good fortune, Mr. Woolley found among these ruins a scarab and two stone tablets bearing the name of the son of the King of the first dynasty of Ur.

He had thus established the actual existence of one of the most ancient of the Sumerian dynasties recorded by Babylonian chronicles, a dynasty which had hitherto been regarded as mythical, and he has shown what amazing artistic skill had been attained at that remote period. At Ur itself he has brought to light invaluable material for the reconstitution of the last renaissance of Sumerian civilization in the third dynasty, and he has traced the history of the town, step by step, down to its final destruction by the Persian kings.

At Kish, if as yet the results have been less complete, they are nevertheless exceedingly striking. Work has been carried on in two buildings which proved to be palaces of the earliest date. It has been possible to secure in one case a full plan; in the other a large part of the structure has been destroyed by erosion, but the remaining courtyards, with their gigantic brick colonnades, have thrown a new light on Babylonian architecture, to which it had been taken as axiomatic that the column was unknown. Portions of the inlaid plaques with which the palace walls were decorated have been recovered and the excavations have been rich in tablets and grave finds from the earliest period down to neo-Babylonian times.

The project of establishing an American School of Research in Baghdad has long been mooted and has received the cordial encouragement of the 'Iraq Government. In 1925 the originators of the scheme sent a representative to make preliminary enquiries. While he was in 'Iraq, Professor Chiera, at the request of the Department of Antiquities, undertook a small excavation in the neighbourhood of Kirkuk. It was carried out on behalf of the Baghdad Museum and the American School and yielded most satisfactory results. A fine private residence was laid bare and close upon a thousand tablets recovered. It is hoped that the

latter will contribute greatly to the knowledge of the region, hitherto unexplored, where non-Semitic elements played a great part.

As a result of these excavations, the Baghdad Museum, though it has come late into the field, is beginning to take its place as a storehouse of Mesopotamian antiquities. It is as yet, unfortunately, wretchedly lodged, and financial stringency forbids the allocation of necessary funds. But interest in the history of the past is awakening, and, as the economic situation improves, private persons should be moved to take their share with the State in the preservation and exhibition of the ancient monuments of the land. The Department of Antiquities is deeply indebted to the sustained enthusiasm and energy of Miss Gertrude Bell, Oriental Secretary to the High Commissioner, who is Honorary Director of Antiquities.

Agriculture and Pastoral Interests.

Agriculture and flock-owning are, and must be, the principal industries of 'Iraq. In the north we have the vineyards, terraced cornfields, tobacco plantations and cool pastures of the Kurdish hills; then the great rain-watered wheat belt of Mosul and Arbil; next the irrigated plains of the middle Tigris and Euphrates, and, lastly, the rice-growing swamps and tidal creeks lined with the date gardens of Basra in the south. Each area has its separate problems, with which the Department of Agriculture has tried to grapple, in spite of the distressingly small funds which could be spared for it. The northern rain-watered wheat belt is becoming of increasing importance as the railway creeps towards it. It is afflicted with two dreadful pests, the "sunn" (*Eurigaster Integriceps*), which shrivels up the formed grains of the wheat, and the small locust (*Dociostorus Marocanus*), which annually destroys immense areas of spring cereals and makes impossible the cultivation of cotton in the north. In spite of prolonged investigation the Department of Agriculture has been unable to find a remedy for the "sunn," since the adult insects are migratory and pass the greater part of the year in the high hills of the north, coming down in the early spring to lay their eggs in the wheat crop. As for the locusts, an anti-locust campaign has been organized, with Mosul as its headquarters, and during the autumn and winter of 1924 and the spring of 1925 extensive arrangements were made for egg buying and ploughing up egg-infested areas and for the subsequent fight against the pests when they appeared. The adjoining districts of Anatolia and Syria are also devastated by locusts, and a conference is about to take place between representatives of the three States for the purpose of securing co-operation in their destruction. Notwithstanding the efforts of the Department, the ravages of the locusts continue to be appalling, since it has been found impossible to trace the greater number of the egg-laying areas in the vast, thinly populated plains. On the middle Tigris and

Euphrates, where the locusts do not penetrate, the hope of the future is in cotton, to the selection of which the Agricultural Department has devoted much research. An American type, with a relatively short staple, has been found to be best suited to local conditions and cultivation on ridges has been found to give a much higher yield than cultivation on the flat. Armed with these two results of search the Department has done good propaganda work among the people and has been helped by the British Cotton Growing Association, which has erected a large modern ginnery capable of dealing with 10,000 bales of cotton a year. The production was 300 bales in 1922, 1,100 in 1923, and 2,150 in 1924. For 1925 results are not yet known, but the cotton area should expand rapidly now that the experiments of the Diyala Cotton Plantation Company are beginning on the Diyala Canals. The great difficulty is the salting of the soil, which takes place under irrigation, especially on the Euphrates. It is hard to deal with because of the flatness of the surface and the absence of drainage. But it must be overcome, otherwise the growing of cotton, which dislikes even a moderate amount of salt in the soil, can hardly be a success. 'Iraq is fortunately free from the destructive pink boll-worm, and, if only the drainage and salt difficulty can be overcome—a problem for the Irrigation Department—a huge production of excellent cotton seems to be assured. Another new crop which seems to have a future before it is flax. The Department has definitely proved that a quality of flax can be grown and prepared in 'Iraq which will command a good price on the English market, and that the probable returns from flax culture are better than those from the ordinary winter cereals. His Majesty King Faisal has taken a special personal interest in these experiments and has sown with flax a considerable area on his private estate near Khanaqin with most encouraging results. The 'Iraq Government is now considering the grant of a concession which will enable a company to set up a plant for " breaking " and " scutching " flax on a commercial scale.

The Agricultural Department has also done much to help the indigenous and primitive sericulture of the Baquba district by importing silkworm eggs of European stock free from disease and giving instructions in methods of rearing and the treatment and reeling of cocoons. It has also raised mulberry seedlings and supplied them to cultivators at cost price. The industry is not yet on a large scale, the annual production being only 6,000 lb.

The work which the Agricultural Department might do is almost unlimited were money for it to be had; but for this 'Iraq must wait until confidence in the permanence of the present stable conditions encourages the investment of capital. When the money is got such work as improvement in the preparation and marketing of wool, wheat and dates, and their compulsory grading for export, will bring wealth to 'Iraq.

The Veterinary Department has been recently reorganized and extended, and it has been especially successful in controlling outbreaks of rinderpest, glanders and epizootic lymphangitis. It is a task of Sisyphus, however, for the extensive frontiers of 'Iraq are open every autumn to fresh invasion of animal diseases from Persia, Kurdistan and Turkey, as the nomads move down in their thousands from their summer to their winter grazing grounds. In 1924 there were 178 outbreaks of rinderpest and the Veterinary Department immunised 37,792 head of cattle with anti-rinderpest serum. In order to provide for the expansion of the Department four 'Iraqi youths are sent abroad every year for training.

Commerce and Industry.

A large part of the trade of 'Iraq is either entrepôt trade or transit trade destined for Persia. The Arab of 'Iraq is a born merchant, inclining to the style of the merchant-prince, and he works in harmony with the numerous British merchant firms established in the country. In 1923–24, the last year for which complete statistics are as yet available, the value of re-exports to Persia was 43·7 per cent. of the whole exports from 'Iraq, and the gross value of goods re-exported to Persia was 80 millions of rupees out of total imports into 'Iraq of 181½ millions. The Persian transit trade may thus be said to be the life-blood of 'Iraq commerce. It is threatened in two quarters, first from Russia, which may in future years recover its old export trade into the north of Persia, and secondly from Persia herself, which is straining every nerve to encourage the direct import trade from the Persian port of Mohammerah to the north, and is contemplating the building of a railway for the purpose, if she can borrow the money needed. Persian import trade from India and Europe could then avoid the payment of 'Iraq customs transit dues and the delays insuperable from passage through a foreign country. The realisation of this project, which would, of course, be a severe blow to 'Iraq, is not likely to take place early. The obvious riposte of 'Iraq would be the construction of a railway line to a Syrian or Palestinian port which, as I have shown, will almost inevitably accompany the building of a pipe-line for oil. European and American goods could then move cheaply to Persia without paying the heavy Suez Canal dues and without the delay of the long roundabout voyage from Port Said down the Red Sea and up the Persian Gulf.

This being so, it may be confidently said that, whatever the developments in Persian trade may be, 'Iraq is bound, if she pursues a policy of enlightened development, to maintain and probably to increase her share of the transit trade.

The following are the figures, in lakhs of rupees, for the value of net imports and exports after re-exports have been excluded :—

	1922–23.	1923–24.	1924–25.
Net imports	909	879	890
Net exports	370	422	423

Goods imported for the British Imperial forces are not included in the customs returns.

Of the net imports in 1923–24, the United Kingdom and India together furnished 69·9 per cent, a striking instance of the manner in which trade follows political influence. The import trade is undoubtedly swollen by the fact that there is a large expenditure in 'Iraq by Great Britain on Imperial forces, which puts into the hands of the people more cash than they would otherwise have. Even if this is discounted, however, there is a very large excess of imports over exports, and the conclusion drawn by the Finance Commission is that 'Iraq is still spending the enormous surplus of money poured into the country during its occupation by large British forces. Since then the spare money has been running out again and is now beginning to run low. Thus the country is overspending itself and consuming more than it produces, and this must have a serious effect upon the general prosperity. The Finance Commission seems somewhat to have neglected the earnings by 'Iraq commerce from the transit trade to Persia, which may well amount annually to some hundred lakhs of rupees, and which should be reckoned as an invisible export. But even after this has been taken into account, their criticisms are in the main true, and already there are signs of grave commercial depression in Basra and Baghdad.

Apart from grain, the export of which is very variable, the main industry of 'Iraq consists in the production and export of dates (158 lakhs), wool (47 lakhs), intestines (31 lakhs), hides and skins (21 lakhs), liquorice (14 lakhs), and ghee or clarified butter (10 lakhs), all these figures being for the year 1923–24 There are no manufactories in the country. If and when the production of oil begins in large quantities, the whole aspect of the trade of 'Iraq will be changed. Instead of exporting, she now imports annually about 75 lakhs worth of oil products, partly for the working of the numerous irrigation pumps along the banks of the Tigris and partly for motor traction. If she could only produce enough for home consumption, it would make a difference in her favour of 150 lakhs a year in the balance of trade.

The Port of Basra.

Basra is equipped with a magnificent port which is, in truth, beyond the present requirements of the country and the standard of its trade. It is a legacy of the British military occupation. It has not come as a gift from the British Government, but the administration has been temporarily transferred to 'Iraq, which is bound under the terms of the Financial Agreement to set up a Port Trust for its management. The port management is to repay to the British Government the full estimated value of the port, Rs.72,19,000 (about £538,000) by annual instalments, two of which have already been paid. For the year 1923 there was a surplus of nearly 8 lakhs, and for 1924 of 6 lakhs. The

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port dues are being progressively decreased and the management now claim that Basra is the cheapest in Asia of all ports equipped on modern lines.

The jurisdiction of the Port extends right down the Shatt al Arab to its mouth at Fao, and the whole conservancy of this part of the river is in its hands. The utility of the Port will be greatly increased when the project for the dredging of the Bar at Fao is completed. Vessels of heavy draught will then be able to come up to Basra instead of having, as now, to unload into lighters at the Bar. The dredging has been in progress for six months and is expected to be completed in two years' time. The cost has been advanced by the Anglo-Persian Oil Company, Limited, and the Port Authority is carrying out the work.

The Future of 'Iraq.

The future of 'Iraq depends on two matters, the fixing of her frontiers and the continuance of British support.

The question of the northern frontier is now under the active consideration of the League of Nations. If any considerable portion of the Turkish claim is conceded it is fairly certain that for strategical and economic reasons 'Iraq will become indefensible and incapable of self support. In that event the whole of the British policy must be reconsidered. If, however, the frontier remains much as it now is, and if 'Iraq continues to lean upon the British Alliance, she seems to have an attractive future before her. She is certainly destined to be the point of junction of a great system of converging air and railway routes by which Asia and Europe will exchange passengers, mails and valuable goods. She is, with almost equal certainty, destined to be a great producer of oil and cotton, and with the assured security given by the fixation of her frontiers she will attract capital for their development. The years of penury and disenchantment through which she has passed since the war will then be at an end and she will be able to fulfil her dreams of self improvement and education.

The new Parliament now sitting gives every promise of a businesslike moderation, and the whole of 'Iraq shows signs above all of a wish for affectionate co-operation with the British Power to which she acknowledges that she owes her life.

Conclusion.

The improved position to which 'Iraq has been brought, and the comparative political contentment which she has attained, is due to the efficiency of the Royal Air Force and other British forces, to the energy and good judgment of a long list of British officers, headed by Sir Percy Cox, to the tact and friendship of His Majesty King Faisal, and of many able 'Iraqi administrators, and to the constant support and sympathy of His Britannic Majesty's Government. This is not the time to set forth names

and achievements in detail. I would, however, especially bring to notice the work of Mr. K. Cornwallis, Adviser to the Ministry of the Interior, to whom perhaps more than to anyone else is due the smooth working of the duplicate machinery of 'Iraqi executive control and British advice.

I have the honour to be, Sir,

Your most obedient, humble servant,

H. DOBBS,

High Commissioner for 'Iraq.

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CONFIDENTIAL.

PALESTINE.

CORRESPONDENCE

[1925—1927]

RELATING TO THE

IMPROVEMENT OF HARBOUR FACILITIES AT HAIFA AND JAFFA.

(*Continued by Middle East No.* 21.)

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27 To the High Commissioner, Confidential ... March 8	Encloses copy of No. 21 and states that in reply thereto the Committee of Imperial Defence consider the development of Haifa as a port, retaining Kantara as the terminus of the Sinai Railway, preferable to moving the terminus of the railway to Ismailia or Port Fuad 33

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Serial No., From or to whom, Despatch No., &c., and Date.	Subject and Page No.
1927	
28 The High Commissioner, Confidential ... March 11 (Rec. March 21)	With reference to No. 25, requests the despatch of an Engineer to prepare plans and estimates, and states that every endeavour will be made to supply statistics of trade at Haifa 34
29 To the High Commissioner, 363 ... ... March 23	In reply to No. 26, discusses proposals for the improvement of harbour facilities at Haifa and also alternative methods of construction. Proposes to construct by means of a special staff with a resident engineer in charge, acting under direction of the Consulting Engineers 31
30 To the High Commissioner, 393 ... ... March 30	With reference to No. 28, states that the appointment of an Engineer will be authorised when it is learnt that the proposals in No. 29 are concurred in 36
31 To Crown Agents for the Colonies ... ... March 30	Transmits copies of Nos. 28 and 30 and asks that Consulting Engineers may be asked to furnish approximate estimate of additional cost of dredging an area inside Haifa Harbour to enable vessels drawing up to 33 ft. to enter the harbour 36
32 Crown Agents for the Colonies April 13	Transmits copy of a letter from Rendel, Palmer and Tritton regarding the question of dredging an area in the proposed Haifa Harbour to enable vessels drawing 33 feet to enter in all weathers, and requests instructions with regard to the preparation of an estimate of cost 36
33 The High Commissioner, 603 April 19 (Rec. May 2)	Expresses concurrence in the proposals outlined in No. 29 for the improvement of harbour facilities at Haifa 37
34 To Crown Agents for the Colonies ... ... June 15	Requests that Messrs. Rendel, Palmer and Tritton may be informed that it has been decided to proceed with the construction of a harbour at Haifa, and that they are to be appointed Consulting Engineers for these works. Observes as to question of remuneration to the firm, and the appointment of an Engineer to draw up plans and estimates 38
35 To the Officer Administering the Government, 770 June 15	Transmits copies of Nos. 34 and 32 regarding the proposed harbour at Haifa. States that the question as to drawing up plans and estimates for dredging the harbour for vessels drawing 33 feet of water will be left to the discretion of the Officer administering the Government 39
36 Crown Agents for the Colonies June 30	Transmits copies of correspondence with Messrs. Rendel, Palmer and Tritton regarding their remuneration for the construction of the harbour at Haifa. Considers that the proposed terms are reasonable, and requests approval thereof 39
37 Sir Robert McAlpine and Sons July 11	States that they are prepared to undertake the construction of Haifa harbour under the terms indicated. Stresses the saving in time which would be effected by the early transfer of men and plant from Takoradi Harbour 41
38 To Crown Agents for the Colonies ... ... July 28	Transmits copy of No. 37, and requests that Messrs. Rendel, Palmer and Tritton be asked to express their views thereon Considers that if the work is undertaken on the system adopted at Takoradi, the Consulting Engineer's fee should be 3½ per cent. on the contract price 42

Serial No., From or to whom, Despatch No., &c., and Date.	Subject and Page No.
1927.	
39 To Crown Agents for the Colonies ... ... July 28	Transmits copy of a letter from Sir Robert Waley Cohen inquiring whether the Haifa harbour scheme will afford facilities for oil tankers to come within the harbour and discharge through pipe-lines laid along the quay. Requests that the observations of the Consulting Engineers be obtained 43
40 Crown Agents for the Colonies August 8	In reply to No. 39, states that the Consulting Engineers anticipate that it should prove quite possible to arrange for the oil tankers to come within the harbour and discharge through pipe-lines laid along the quay 43
41 Crown Agents for the Colonies August 9	Transmits, with observations, copy of a letter from the Consulting Engineers regarding the proposals for constructing the harbour put forward by Sir Robert McAlpine and Sons, and a preliminary study of the scheme by the Consulting Engineers 44
42 Crown Agents for the Colonies August 10	Transmits copy of a letter from the Consulting Engineers stating that a cablegram has been received from Mr. Palmer recommending that a decision regarding the offer of Sir Robert McAlpine and Sons should be deferred pending his return, and concurs in this recommendation 46
43 To Crown Agents for the Colonies ... ... August 20	Agrees to the decision on the offer of Sir Robert McAlpine and Sons being deferred until Mr. Palmer's return, and to a preliminary study of the scheme being carried out by the Consulting Engineer ... 47
44 To Sir Robert McAlpine and Sons ... ... August 20	States that in the circumstances indicated it has been decided to defer a decision regarding Messrs. McAlpine's offer until Mr. Palmer's return. In the meantime the Consulting Engineers are being authorised to make a preliminary study of the scheme ... 47
45 To the High Commissioner, 1105 ... ... August 22	Transmits copies of Nos. 35, 36, 37, 38, 41, 42, 43, 39 and 40, and states that Sir Robert McAlpine and Sons have been informed that a decision in regard to their offer must be deferred until Mr. Palmer's return. It has been suggested that Mr. Blake should discuss with the Consulting Engineers the question of the suitability of stone from Mount Carmel for use in the construction of the breakwater 48
46 Board of Trade ... August 25	Notes the opinion of the Consulting Engineers regarding the possibility of bringing oil tank vessels within the proposed Haifa harbour for unloading, and considers that the business is likely to provide considerable revenue. Suggests that Sir R. Waley Cohen be placed in direct communication on the subject with the Consulting Engineers 48
47 The High Commissioner, Confidential A ... August 19 (Rec. Aug. 29)	In reply to No. 35, states that it is practically certain that it will not be possible to provide accommodation for larger ships, but the suggestion will be reconsidered when the Engineers arrive to draw up plans and estimates. Inquires whether any reply has been sent to No. 37. Proposes to instruct Mr. Blake to make investigation as to suitable stone for the breakwater ... 49
48 Sir Robert McAlpine and Sons August 31	States that they are in a position to release from Takoradi Harbour all the plant necessary for the starting up of Haifa Harbour as quickly as it can be absorbed 49
49 To Board of Trade September 9	In reply to No. 46, states that no objection is seen to the suggestion contained therein 50

Serial No., From or to whom, Despatch No., &c., and Date.	Subject and Page No.
1927	
50 To Crown Agents for the Colonies ... September 9	Transmits copies of Nos. 46 and 49 and requests that the Consulting Engineers be informed of the action which the Board of Trade proposes to take in the matter 50
51 To Crown Agents for the Colonies ... September 9	Transmits copies of Nos. 47 and 48; requests that Mr. Palmer's recommendations upon Messrs. McAlpine's offer be obtained 50
52 Crown Agents for the Colonies September 12	Transmits, with observations, copy of a report from the Consulting Engineers on the subject of letting the contract for the Haifa Harbour works. Considers that tenders should be called for and detailed surveys made of the work. Submits observations as to Consulting Engineers' remuneration 51
53 To Sir Robert McAlpine and Sons ... ... September 22	States that a report has now been received from Mr. Palmer on the question of carrying out the works, and is being sent to the High Commissioner for his consideration, and promises a further communication 53
54 To Crown Agents for the Colonies ... September 22	States the decision arrived at in regard to the Consulting Engineers' remuneration, and requests that estimates and plans should be prepared as early as possible. States that the High Commissioner is being consulted on the questions of the method of construction and the offer of Messrs. McAlpine to carry out the works 53
55 To High Commissioner, Confidential A September 22	Transmits copies of Nos. 52 and 54. Submits observations on the question of the method of carrying out the works, and considers that they should be carried out by a system of departmental construction ... 53
56 The High Commissioner, telegram, No. 191 October 4	Agrees with proposal contained in No. 55 regarding the method of construction of the harbour at Haifa ... 55
57 To Sir Robert McAlpine and Sons ... ... October 14	States that it has been decided to carry out the Haifa Harbour works by a special staff, with a Resident Engineer in charge, acting under the direction of Consulting Engineers 55
58 To Crown Agents for the Colonies ... ... October 14	States that it has been decided to carry out the Haifa Harbour works by a special staff under the direction of the Consulting Engineers, and requests that the necessary arrangements be made with Messrs. Rendel, Palmer and Tritton 55
59 Crown Agents for the Colonies November 2	Transmits copy of a letter from the Consulting Engineers accepting the proposed terms for carrying out the work. Corroborates the views of the Consulting Engineers that the decision to carry out the work departmentally, instead of by contract, will give rise to serious difficulties 56

PALESTINE.

CORRESPONDENCE

[1925—1927]

RELATING TO THE

IMPROVEMENT OF HARBOUR FACILITIES AT HAIFA AND JAFFA.

58063/25

No. 1.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 28th December, 1925.)

[*Answered by Nos.* 3 *and* 13.]

(Confidential B.)

SIR, Government Offices, Jerusalem, 18th December, 1925.

I HAVE the honour to refer to your despatch No. 1482 of the 2nd of November, 1925,* on the subject of Jaffa Port, and to inform you that the need to relieve congestion at this port has become imperatively urgent, and I have therefore caused to be initiated projects for the melioration of the situation at as early a date as possible.

2. This matter has been the subject of deliberation by a Commission set up by my predecessor in February of this year "to examine the present conditions of Jaffa Port and make recommendations for their general improvement." This Commission has not yet submitted a final report and I am, to some extent, anticipating the recommendations which may be made.

3. The congestion which exists is entirely due to the great increase of traffic through the port, the inadequacy of landing and storage space and the lack of proper approaches to and from the port area.

4. I visited the port on the 7th of October and caused photographs to be taken of the conditions I found there. These photographs† are enclosed.

5. The scheme I have in contemplation consists of elements and stages that are best explained by reference to the enclosed plan.‡

6. The elements of the scheme consist of improvements and additions to the approaches to the port; the provision of additional storage accommodation; the construction of adequate quays for the discharge of cargoes and, ancillary thereto, the provision of hoisting gear on the quays and new stores.

7. The stages in which these improvements can be effected are shown in colours and numbered on the plan: and an explanatory memorandum by the Acting Director of the Department of Public Works, herewith transmitted, indicates the details of these stages.

8. The estimated expenditure is £E.110,000 and the preliminary estimates are enclosed. I propose to defray expenditure on stage 1 from revenue and, in fact, the sum of £E.1,500 to be devoted to repairs of roads has been already provided in the revised estimates transmitted to you with my Confidential despatch of the 23rd of November, 1925.§

9. I am conscious that the total sum is large, but I should point out that the present condition of the port is a source of legitimate reproach to this Government. I should, moreover, stress the fact that the expenditure is on definitely productive works and, as such, apart from stage 1, will form an item in the Schedule to the projected loan for Palestine that will be attractive to investors.

10. My advisers are satisfied that the scheme will achieve the relief of congestion at the port and, at the same time, is not so ambitious as to prejudice the development in the future of Haifa as the main port of the country.

11. In the circumstances, I have to request your sanction for the completion of the scheme and for the assignment of the expenditure on stages 2, 3 and 4 to the Loan Schedule.

I have, &c.,
PLUMER, F.M.,
High Commissioner.

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* 48118/25: not printed. † Not reproduced. ‡ Not printed. § 55749/25: not printed.

Enclosure 1 in No. 1.

JAFFA PORT IMPROVEMENT SCHEME.

Memorandum.

THE improvements proposed fall under four heads as follows:—

(1) Improvements of the approach roads by
  (*a*) reconstruction of existing roads,
  (*b*) construction of new roads.
(2) Acquisition of warehouses and storage by
  (*a*) lease of buildings,
  (*b*) new constructions.
(3) The construction of a new sea-wall and quay, reclamation of land on the foreshore, including forming a new anchorage to replace the present site, to be reclaimed.
(4) The provision of electrically-driven cranes, lifts and hoisting gear to work in conjunction with the proposed sea-wall, and new stores.

2. The works proposed are shown on plan No. W.338* herewith attached, and are further outlined below, in progressive stages according to urgency.

Stage 1 (*a*) Repairs to existing roads.

(*b*) Acquisition on long lease of stores shown in yellow as 1b on plan. Upon your instructions the work in this stage has been put in hand.

Stage 2 (*a*) The acquisition of the lands, shown in green on the plan and marked 2a, for the purpose of constructing a new access road to join the proposed new municipal road.

(*b*) The acquisition of the Armenian Convent site shown as 2b on plan, and the construction thereon of a modern warehouse and Customs stores complete with electric elevators and loading platform. The area of the site is 3,500 square metres and the proposed storage accommodation 3,800 square metres, which is capable of being increased by the addition of another storey. In addition a high level loading and transit platform is provided at the point A shown on plan. This will enable goods to be discharged at a higher level, thus avoiding the steep road gradient and the necessity for all vehicles to enter the congested port area.

(*c*) The paving of the port enclosure behind the present Customs sheds and the area recently reclaimed on the foreshore in front of these sheds shown as 2c on plan; the area thus paved amounts to 4,650 square metres.

(*d*) Improvements to the new properties acquired under item 1b, consisting of repaving a total area of 1,500 square metres, including all necessary repairs to buildings and provision of electric lighting.

(*e*) The provision of unloading apparatus for immediate needs.

Stage 3 (*a*) The construction of a new sea-wall shown in blue as 3a on plan, with the reclamation and paving of the land behind it, an area of 1,760 square metres with a length of sea-wall of 130 metres.

(*b*) Provision of a suitable and adequate anchorage in front of this sea-wall, to replace that lost by reclamation, about 2,400 square metres, shown as 3b on plan.

(*c*) Provision of five electrically driven 5-ton cranes to be placed as required in connexion with 3a and 4.

(*d*) Demolition of the old Disinfecting Station building shown as 3d on plan and the erection of Customs storage accommodation of about 1,000 square metres in area.

(*e*) Demolition of old Customs shed to provide additional quay space.

Stage 4 (*a*) Extension of the new sea-wall shown in red as 4 on plan referred to in stage 3a, to enclose and increase the present temporary quay in front of the new Customs shed, including reclamation of increased area and paving. The length of the extension will be 180 metres and the additional quay space reclaimed 2,200 square metres.

(*b*) Provision of anchorage for lighters in front of this sea-wall.

3. I also enclose preliminary estimates for the proposed works amounting to £E.110,000.

J. F. ROWLANDS,
Acting Director of Public Works.

15th December, 1925.

* Not printed.

JAFFA PORT IMPROVEMENT SCHEME.

Preliminary Estimate.

		£E.	£E.
Stage 1	(*a*) Repairs to roads	1,500	
	(*b*) Acquisition of new properties	2,100	
			3,600
Stage 2	(*a*) Acquisition of lands for and construction of approach roads	14,000	
	(*b*) Acquisition of Armenian Convent site	12,000	
	Construction of stores on this site including electric elevators	22,000	
	(*c*) Paving of port enclosure and temporary quay...	4,000	
	(*d*) Reconditioning and paving of properties acquired under 1 (*b*)	2,000	
	(*e*) Provision of unloading apparatus	900	
			54,900
Stage 3	(*a*) Construction of a new sea-wall, including reclamation and paving	15,000	
	(*b*) Provision of new anchorage	5,000	
	(*c*) Provision of five No. 5 ton cranes	5,000	
	(*d*) New stores on site of Disinfecting Station ...	2,500	
	(*e*) Demolition of old Customs Shed to provide additional quay space	500	
			28,000
Stage 4	(*a*) Extension of sea-wall including reclamation and paving	20,000	
	(*b*) Provision of anchorage to enable lighters to come alongside	3,500	
			23,500
			£E.110,000

J. F. ROWLANDS,
Acting Director of Public Works.

15th December, 1925.

49955/25

No. 2.

COLONIAL OFFICE to CROWN AGENTS FOR THE COLONIES.

[*Answered by No.* 12.]

Downing Street, 5th February, 1926.

GENTLEMEN,

I AM directed by Mr. Secretary Amery to refer to the letter from this Department of the 4th of February* and the previous correspondence regarding Mr. Anthony's report† on the Administration of the Palestine and Kantara-Rafa Railways.

2. Mr. Amery has had under consideration the recommendations made in the section of that report entitled "Proposed Capital Expenditure on new Railways and on Harbour Improvements." He agrees with Mr. Anthony's suggestion that Mr. Palmer should be asked to express an opinion on Mr. Anthony's proposals for the provision of harbour facilities at Haifa, and he considers that Mr. Palmer might also be asked for his advice on the similar proposal regarding the port at Jaffa. In this connexion I am to enclose, for transmission to Mr. Palmer, a copy of Lord Plumer's despatch Confidential B of the 18th of December‡ on this subject, together with a copy of a memorandum by the Acting Director of Public Works. This despatch contains proposals which, where they are not identical with Mr. Anthony's proposals, appear to be partly supplementary and partly alternative to them. The photographs and plans§ referred to in paragraphs 4 and 5 of the despatch are also enclosed, and I am to request that these may be returned in due course when you furnish Mr. Palmer's observations on both the Haifa and the two Jaffa schemes.

* 48152/25: not printed. † C. 10314/26: not printed. ‡ No. 1. § Not reproduced.

3. Mr. Amery also considers that, before a decision is taken as to the exact programme of capital expenditure on railway extension or developments in Palestine, further expert advice should be sought, and I am therefore to authorize you to submit a copy of Mr. Anthony's report to one of your Consulting Engineers on railway matters who should be requested to furnish, for communication to the High Commissioner for Palestine, an expression of his opinion on the various proposals made by Mr. Anthony for capital expenditure on railway works.

4. The question of providing harbour facilities for Palestine has already been discussed in the correspondence ending with your letter of the 13th of November.* In this connexion, I am to refer to paragraph 4 of the letter from this Department of the 28th of September,† and to enclose herewith the memorandum, with plans,‡ submitted by Mr. Lees giving in detail certain arguments in favour of an alternative site and design to those recommended by Mr. Palmer for the harbour at Haifa. I am to request that these enclosures may be returned in due course.

I am, &c.,
J. E. SHUCKBURGH.

49955/25

No. 3.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

[*Answered by Nos.* 4, *and* 13.]

(Confidential.)

MY LORD, Downing Street, 5th February, 1926.

I HAVE the honour to refer to my Confidential despatch "B" of the 4th February,§ in which I promised to address you in regard to Mr. Anthony's interim report No. 5 on the administration of the Palestine and Kantara-Rafa Railways.

2. In that report, Mr. Anthony dealt with the question of the provision of harbour facilities at Haifa and Jaffa and also with a proposal for the removal of the western terminus of the Kantara-Rafa Railway to Port Said.

3. The cost of these proposals, if approved, would of course have to be met from the proceeds of the forthcoming loan, and in my opinion, it is therefore necessary to consider them in connexion with the various other proposals which have from time to time been put forward for the construction of railway and harbour works to be paid for out of that loan. Included among these proposals are the schemes for the diversion of the main railway through Petah-Tikval and Tel-Aviv and the extension of the broad-gauge line from Jaffa station to the port (see Mr. Anthony's interim report No. 4) and the proposals regarding the port of Jaffa, which you submitted in your despatch Confidential "B" of the 18th of December.‖ I gather that those proposals to some extent overlap Mr. Anthony's recommendations for the improvement of that port.

4. I consider that it is advisable at this stage to survey the whole field of proposed capital expenditure and that, as a preliminary measure to this end, further expert advice should be obtained on the various proposals for the construction of harbour and railway works. I feel confident that you will agree with this view, and I have therefore caused a letter,¶ of which I enclose a copy, to be addressed to the Crown Agents for the Colonies, instructing them to submit the various proposals, in the case of harbour works to Mr. Palmer, of Messrs. Rendel, Palmer and Tritton, one of their Consulting Engineers for Harbour Works, who has already visited Palestine and reported on the harbour question, and in the case of railway works to one of their Consulting Engineers for Railways. I shall, in due course, forward to you a copy of the reports furnished by these experts. If, however, you consider it advisable that a decision should be expedited on any particular project, you will no doubt inform me accordingly. In the meantime, there is no objection to the execution of the first stage of the scheme, submitted in your despatch Confidential "B" of the 18th of December,‖ for the improvement of the port of Jaffa.

5. I take this opportunity of enclosing for your information, a copy of correspondence** with the Crown Agents regarding the alternative methods by which harbour works on a large scale could be carried out in Palestine at Government expense.

I have, &c.,
L. S. AMERY.

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* 51179/25: not printed. † 23819/25: not printed. ‡ Not printed. § 48152/25: not printed.
‖ No. 1. ¶ No. 2. ** 23819/25 and 51179/25: not printed.

C. 9519/26

No. 4.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 3rd May, 1926.)

[*Answered by No.* 13.]

(Confidential.)

SIR, Government Offices, Jerusalem, 18th April, 1926.

I HAVE the honour to transmit for your information copy of the Report of the Commission which was set up by my predecessor in February, 1925, "to examine the present conditions of Jaffa Port and to make recommendations for their general improvement."

2. I have considered the Report in Executive Council, in relation to the proposals already submitted to you in my despatch Confidential B dated the 18th of December, 1925,* and with particular reference to the general observations on the construction of harbour and railway works which were contained in your Confidential despatch dated the 5th of February, 1926.†

I agree, in the circumstances, that this Government should refrain from embarking on extensive schemes in connexion with the Jaffa Port until specialist advice on the various projects has been obtained and until funds are available for carrying out the selected project in its entirety.

In the meanwhile, however, it is desirable that Government should pursue the policy of improving the landing and storage facilities at Jaffa, which will be required whatever project is carried out.

3. It will be observed that, so far as this policy is concerned, the recommendations of the Commission reproduce, in large part, the proposals in my despatch of the 18th of December, 1925.

I note from paragraph 4 of your despatch of the 5th of February, 1926, that there is no objection to the execution of the first stage of the scheme comprised in those proposals; but in view of the pressing need to ameliorate conditions at Jaffa Port, in the interests alike of trade and revenue, I would urge that the further stages of the scheme be also approved. Moreover, without the further stages, the first stage will remain of little practical utility.

I also recommend that there be added to the items of that scheme, and approved by you for execution at an early date, the project proposed by the Commission (Section V of the Report) to provide improved accommodation for lighters by means of a sea-wall to be constructed at a cost of £E.2,400.

4. With regard to the other recommendations of the Commission, I have to observe as follows:—

(i) *Section VI.* I concur in the Report that it is necessary that Government should acquire, in due course, the buildings in the port area which are Municipal property; and, in this connexion, I am instructing the Director of Public Works to examine and report upon the questions of constructing an extra storey on the present Customs premises and of increasing the height of the lighthouse.

(ii) *Section VII.* (*a*) The proposed extension of the broad-gauge railway line from Jaffa station to the port area is a question which must be deferred for consideration as part of the main scheme of harbour and railway development at Jaffa.

(*b*) I regard the construction and maintenance of roads within the port area as works properly to be constructed by the Government, but of roads outside that area as a charge on the Municipality. I have, however, caused the District Commissioner, Jerusalem-Southern District, to be informed that any scheme formulated by the Jaffa Town Planning Commission for the construction of roads leading to the area would be sympathetically considered.

I have, &c.,
PLUMER, F.M.,
High Commissioner.

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* No. 1. † No. 3.

Enclosure in No. 4.

Report of the Jaffa Port Commission.

Introduction.

Terms of Reference.

(1) The Jaffa Port Commission was appointed in February, 1925, by His Excellency the High Commissioner with the following terms of reference :—

To examine the present conditions of the Jaffa Port and to make recommendations for their general improvement with special reference to :—

(i) The possible diversion of the main line of railway between Haifa and Kantara so as to pass through Tel-Aviv and Jaffa.

(ii) The construction of a small jetty at some point where it would serve conveniently both Jaffa and Tel-Aviv.

(iii) Possible improvements of the present landing facilities of Jaffa Port.

(iv) Extensions and alterations of the existing sea-wall.

(v) Improved accommodation for lighters.

(vi) More convenient arrangements in the Customs enclosure.

(vii) Improved communication between the quays and the town and the railway station.

(viii) Amelioration of the existing arrangements for the reception of travellers and immigrants arriving at the Jaffa Port.

The following sections of this Report are numbered in accordance with these divisions of the terms of reference.

Composition and History.

(2) The Commission was composed of twelve members, including the District Commissioner of the Jerusalem-Southern District as Chairman, and five other officials, namely, the General Manager, Palestine Railways, the Director of Health, the Director of Customs, Excise and Trade, the Senior Assistant Treasurer and the Director of Public Works. The non-official members consisted of His Worship the Mayor of Jaffa, the President of Tel-Aviv Township, Messrs. Hoofien, Tolkowski, Emile Berouti, and Yusuf Eff. Taleb. In April Mr. Emile Berouti was unfortunately compelled to resign for reasons of ill-health and Mr. Dimitri Tadros was appointed in his place.

Twenty meetings have been held since the institution of the Commission. Nine of these have been plenary meetings and in the remainder the heads of departments concerned have been officially represented.

Deep-sea Port.

(3) While the Commission has accepted the limitation imposed by the terms of reference in excluding all consideration of the possibility or desirability of the construction of a deep-sea port for Jaffa, the members, including those representing the Municipalities, the Chambers of Commerce and the shipping and trading interests of Jaffa and Tel-Aviv, desire unanimously to record their firm conviction that the problem demands a more radical solution and calls for the construction of an adequate deep-sea harbour at Jaffa.

SECTION I.

Diversion of Main Railway Line.

Present Conditions.

(1) The port of Jaffa is separated from the main railway artery of the country by a narrow-gauge line which winds through the constricted and crowded streets of the town, and by 2P Kilometres of a branch from Lydda Junction. Even this broken connexion with the main line fails to serve the two most fertile exporting areas of the district, namely, the orange and wine producing regions of Petach-Tikvah, Richon and Wadi Hunein.

Original proposals.

(2) The original proposals included three main projects :—

(a) A line from Tel-Aviv station skirting Petach-Tikvah, and joining the present main line at Jiljulich.

(*b*) A line leaving the present main line at Yebnah and passing through Richon to join the present Jaffa-Lydda line near Yazur.

(*c*) A loop bringing the line (*b*) just described into a new Jaffa station near King George's Avenue and thence to Tel-Aviv station.

Reductions.

(3) The total preliminary estimates for the original proposals exceeded £E.300,000. The loop (*c*) involved expropriation and destruction of orange groves and buildings costing some £E.70,000. The two main-line stations of Jaffa and Tel-Aviv would be separated by only a few hundred metres. Level crossings would be necessary on most of the road exits of the town. The loop (*c*) was therefore abandoned, and it was decided to be content with one main-line station for Jaffa and Tel-Aviv.

The proposed site of the combined main-line station as marked on the accompanying map* has been examined and unanimously approved by the Commission.

Further reductions were suggested and are recommended by the Commission. These are to utilize the existing line between Petach-Tikvah and Ras al-Ain, to follow the Wady Barideh Valley outside the towns of Jaffa and Tel-Aviv, and to enforce the Town Planning Ordinance for all expropriations within the Town Planning Area.

Surveys and Estimates.

(4) Detailed surveys and estimates of the amended project have since been completed but have not been placed before the Commission.

Relative importance of the area.

(5) The results of inquiries conducted chiefly through the Chambers of Commerce have shown how relatively important is the area which the proposed diversion will place upon the main railway route of the country. This area lies between the present main line and the sea, and coincides almost exactly with the administrative Sub-District of Jaffa.

Population.

(*a*) Reference to the Census of 1922 shows that this area contains 10 per cent. of the total population of Palestine and includes its largest Jewish town, its largest Moslem population in a single town, and several of its largest Jewish Colonies.

Trade.

(*b*) Its port in 1925 dealt with 55 per cent. of the total imports of Palestine, and over 60 per cent. of the total exports of the country. Its foreign trade movement formed 56 per cent. of that of Palestine, while its shipping totalled over 61 per cent. of the tonnage visiting the country.

Revenue.

(*c*) The revenue produced by this sub-district, whether from tithes, licences, railways, posts werko, Customs, Excise, court fees or land registration fees has reached in the current year an unchallenged percentage of the total revenue derived from corresponding sources in the whole country. The local taxation of this area also bears a similarly overwhelming proportion, its Municipal and Local Council Budgets for the current financial year balancing at a total of £E.159,000.

Progress.

(*d*) The rate of progress of the same area is evidenced by the changes which have taken place since Mr. Palmer's Report was written. Since 1922, registered tonnage entering Jaffa has increased by 57 per cent. and the total value of trade by 83 per cent. Orange export has increased in value by 45 per cent. and the total yield of tithes and werko by 41 per cent. In the township of Tel-Aviv alone population has increased by 166 per cent. and buildings by 160 per cent. The estimated capital invested in industrial enterprises in Tel-Aviv reached £E.586,857 on 30th September, 1925.

Conclusions.

(6) The Commission concludes from these facts that the project of diverting the main railway line through the centre of this important sub-district will bring the greatest advantage to the economic interests of Jaffa and of the whole area covered by the line proposed.

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* Not reproduced.

SECTION II.

TEL-AVIV JETTY.

Mahlul Concession.

(1) In June, 1923, the Government leased the mahlul foreshore of Tel-Aviv to the Township for 99 years, the land to be used for public purposes. The Concession included sanction for the erection of a pier for pleasure craft provided its utilization for the landing of goods should receive the special permission of the Government. Since then a number of proposals have been made to erect a jetty at Tel-Aviv for various purposes.

Mr. Grunblatt's proposal.

(2) In March, 1925, Mr. Grunblatt, a Marine Engineer, with experience of similar projects on the Levant coast, made an offer to the Tel-Aviv Township to construct on the beach opposite Tel-Aviv :—

(*a*) a reclamation extending 100 metres into the sea, and

(*b*) a steel pier projecting 100 metres further west and thus reaching open water 4½ to 5 metres deep.

Terms of loan.

(3) Mr. Grunblatt undertook to advance to the Township the £E.60,000 necessary for the original scheme provided the Government would allow him exclusive rights of handling and would give him power to levy special wharfage dues until the loan was completely repaid.

The Township would receive 35 per cent. of the net profits derived from the undertaking for the first ten years and 50 per cent. thereafter, and would become exclusive owners of all works and equipment at the termination of the agreement, i.e., in 35 years.

The Township would also share with Mr. Grunblatt the appointments to the Board of Directors and the control of the tariff of dues to be charged with the approval of the Government.

Difficulties of original scheme.

(4) The scheme has been minutely examined by the Commission, who have found that the project includes considerable difficulties.

(*a*) Railway access from this jetty to the main line at Tel-Aviv station was estimated to cost £E.63,000, i.e., more than the scheme itself and would necessitate a large number of level crossings.

The only alternative route, namely, the Jaffa Station, would cost £E.23,000 exclusive of the £E.80,000 required for the beach road reclamation referred to in Section VII of this report.

(*b*) Duplication of quarantine staff and establishments would involve a further capital expenditure of £E.3.000 and a recurrent yearly charge of £E.1,000.

(*c*) A number of other objections were examined.

Limitation to Building Materials.

(5) It was therefore agreed to limit the scheme to the landing of building materials. This limitation would avoid the need for railway access and special quarantine requirements but was found to present other difficulties.

It was considered doubtful whether the Government could allow wharfage dues to be levied on this jetty at different rates to those enforced at Government quays, so that amortization of the capital outlay on this quay would have to be met from other sources.

Again the scheme in so far as it contemplates the landing of goods falls within the sphere of port development and maintenance which has been laid down as a proper charge to the taxpayers and should accordingly be carried out by Government as opposed to Municipalities.

Alternatives.

(6) One of the most pressing needs of the port is admittedly :—

(*a*) to provide improved means of landing building materials, and

(*b*) to ensure their easier access to Tel-Aviv where these goods are most required.

Hence if the scheme is to be abandoned the Commission consider that it should be substituted by adequate alternatives such as those proposed in Sections IV and VII of this report.

The President of Tel-Aviv desires it to be recorded that the Township reserves to itself the right to renew the question of the jetty in the event of it being shown :—

(*a*) that the improvements of the general scheme do not keep pace with the development of the commercial and industrial needs of the District;

(*b*) that fresh requirements become necessary besides those for the landing of building materials, such, for example, as large-scale fisheries or import of petroleum or export of products of new industries;

(*c*) that the difficulties and objections mentioned in this section prove to be capable of being overcome.

RECOMMENDATION.

(7) The Commission do not consider that the additional expense and risk of constructing a detached landing-place for building materials outside the shelter of the reef to be justified unless and until it is definitely proved that the requirements of the port cannot be met by the facilities provided in the general scheme recommended in Sections III to VIII of this report.

SECTION III.

IMPROVEMENT OF LANDING FACILITIES.

Present Conditions.

(1) Landing of all passengers and goods at present takes place behind the shelter of the main reef, i.e., between the points marked A and B on the plan.*

The actual length of quay at which a floating lighter can unload in normal weather is still limited to 100 metres or about 8 lighters. Along the rest it is necessary to moor lighters several metres from the quay and to unload by means of porters wading through the water.

Resulting losses.

(2) Estimates of losses resulting from the absence of port facilities were made for Mr. Palmer in the spring of 1923. These estimates varied from £E.89,750 to £E.176,900 per annum. The volume of trade has increased since the estimates were made by over 80 per cent. On the other hand, some of the main causes of these losses are due to the absence of a deep-water harbour and the necessity for using lighters in an open roadstead, and therefore will not be wholly avoided by the improvements contemplated under the terms of reference of this Commission. It is considered, however, that the diminution of losses that will result from better shelter for lighters, improved landing and storage facilities on the quays, and accelerated transport and delivery of goods to and from the quays will amount to a saving of from £E.150,000 to £E.200,000 yearly to the merchants and other inhabitants of Palestine.

Marine Survey.

(3) The Commission have examined in detail a number of schemes and suggestions.

It became evident, however, that no decision could be made until a marine survey was completed over the whole area between the main reef and the shore. Borings and soundings have now been completed at the joint cost of the Jaffa Municipality and Tel-Aviv Township and the results have been placed in the hands of the Public Works Department.

Reclamation of Western beach.

(4) Reclamation of the beach lying to the west of the present Customs offices has now been completed at a cost of £E.4,000 with a resulting gain of 2,400 square metres, which is to be paved and partly covered with open sheds. Lighters are not able to moor alongside this retaining wall although it provides valuable space for clearing goods.

Wharfage.

(5) One of the principal difficulties of the port area is the narrowness of the single thoroughfare along which goods have to be transported between the quarantine office and the building now occupied by Jacobsons.

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* Not printed.

Camels, carts, porters, motors and the narrow-gauge railway, in fact all the traffic of a port which is already handling 209,940 tons annually has still to pass through a space which in places is only 3 to 4 metres wide.

The Commission consider that the only possible means of widening this passage without encroaching too much upon the available area of sheltered water is :—

(*a*) to remove the old Customs shed as soon as alternative storage can be procured;

(*b*) to fill in the bay between the south end of the Customs shed and the building now occupied by Jacobsons;

(*c*) to remove a corresponding portion of the inside of the reef.

Recommendations.

(5) The Commission recommend that :—

(*a*) A continuous quay be constructed throughout the whole length already sheltered by the main reef, namely, from the north end of the old Customs shed to the disinfecting station.

(*b*) Space be cleared along this quay by the removal of the old Customs shed and of the store now occupied by Jacobsons and by the filling in of the bay between them.

(*c*) Travelling cranes to be provided for the whole quay.

(*d*) The area of sheltered water be increased by removing the inner portion of the reef, by blasting away isolated rocks inside the harbour and by dredging away the sand along the foot of the quay.

The Commission consider the above improvements essential and urge that they be undertaken at once.

A schedule* of approximate estimates is attached.

SECTION IV.

Extensions and Alterations of the Sea-wall.

Present Conditions.

(1) The available anchorage for lighters and sailing craft is already far below the needs of the port. Whether or not the existing primitive methods of propulsion are soon to be replaced by mechanically-drawn vessels it appears certain that more sheltered water space is essential to provide for expanding trade.

This is only possible in the north since the reef closes the harbour entirely to the south.

Two Breakwaters.

(2) The Commission is informed that the extension of the shelter now provided by the main reef can only be carried out by two sea-wall constructions :—

(*a*) *Western Breakwater.* The first of these is a western breakwater consolidating the main reef and extending its outer line to the north far enough to protect the prolongation of the quay described in Section III of this report.

(*b*) *Northern Breakwater.* The Commission is advised also that sand silting tends to drive in from the north so that in a few years these quays will be useless unless they are protected by a second breakwater running out due west from Maslakh Bay.

Reclamation.

(3) The urgent need of improved access to the north, of more wharfage space, and of extended quays, forces the Commission to the conclusion that the space between the northern breakwater and the existing sea-wall north of the Quarantine Office should be filled in to form a reclaimed area 90 metres wide. This reclamation will provide 21,000 square metres of extra wharfage space and its western edge will give an additional length of 240 metres of protected quays.

Recommendation.

(4) The Commission urge that detailed examination of the above proposals be undertaken by the Government at once, with a view to the construction of the two breakwaters and the reclamation at the earliest possible date.

Approximate estimates of cost are shown in the attached schedule.†

* Schedule (2). † Schedule (1)

SECTION V.

Accommodation for Lighters.

Present Conditions.

(1) There are at present 130 licensed lighters in the port. Anchorage space in water which is sheltered in normal weather only exists for about 75 lighters. The remainder, during normal weather, and the majority during stormy weather, have to be pulled up on to the roads or the timber dump to the south of the Disinfecting Station. This seriously lessens storage space and increases congestion.

Municipal Wall.

(2) The Commission is informed that the wall erected by the Jaffa Municipality to the south of the Disinfecting Station can be extended further south at a cost of about £E.20 per metre run. It is estimated that an extension of 120 metres, costing £E.2,400 with necessary ramps and windlass, will suffice to protect 150 lighters on the beach so enclosed. This provision will release over 1,000 square metres of valuable space for storage.

Recommendation.

The Commission urges the Government, who receives the annual licence fees for sea-craft, to make immediate provision for the accommodation of lighters. Failing this they consider that the Municipality, who are prepared to undertake this work at once, should be authorised to do so.

SECTION VI.

Customs Enclosure.

Customs Offices.

(1) In response to an urgent demand by the Director of Customs the offices have been transferred to the Municipal building recently occupied by the Pardes Company. This provides more centralized and convenient accommodation and liberates increased storage space in the old Customs shed.

Port Office.

(2) The Commission considers that the Port Office can be installed more conveniently at the landing stage for passengers.

Customs Storage Space.

(3) It is obvious from the congestion of goods littering the streets and quays in the Customs area that one of the most urgent requirements is increased storage space.

The present covered storage space is 3,215 square metres. It is considered that double this area is required for imports, in addition to the 3,000 square metres needed for orange export during the winter months. Cement also requires covered space in winter.

The uncovered space now available is less than 5,000 square metres including the newly reclaimed area. The estimate of requirements made by the Chamber of Commerce and endorsed by the Commission is as follows :—

		sq. m.	*sq. m.*
Building materials	Tiles	1,000	
	Cement	2,500	
	Iron	3,000	
	Timber	6,000	
			12,500
Other imports			8,000
Total			20,500 sq. m.

Allocation of space.

(4) It is suggested by the Chamber of Commerce and agreed by the Commission that exports which are largely confined to oranges should be concentrated as far as possible in the south since access by camels is there easier. It is considered that the reclaimed area in the north of the General Scheme proposed in Section IV of this report should be devoted to imports.

Orange Stores.

(5) Orange stores must be conveniently placed for camel traffic on the one hand and for direct loading into lighters on the other.

The uniformity in size and weight of orange boxes, of which over a million are exported each winter, makes it probable that mechanical appliances such as shoots will be practicable for loading both stores and lighters.

Covered stores for Imports.

(6) In addition to the old Customs shed, which the Commission recommend to be destroyed, as noted in Section IV of this report, Customs only possess three good stores all of which are leased from the Municipality. These together give less than 1,700 square metres of storage. It is urgent therefore that other stores should be acquired or built, pending the completion of the reclamation recommended in Section IV.

Lighthouse.

(7) Second floors cannot be built on the Municipal stores mentioned in the last paragraph until the lighthouse is raised sufficiently to prevent its light being obstructed.

Uncovered Storage.

(8) The large percentage of building material imported presents one of the main storage problems of the port, and its solution justifies considerable expenditure on reclamation.

As this is mainly needed in Tel-Aviv or for rail transport, the Commission are strongly of opinion that this reclamation should be undertaken on the north side of the port, as recommended in Section IV of this report.

RECOMMENDATION.

(9) The Commission urge:—

(*a*) That all available storage within the Customs enclosure be acquired by Government as soon as practicable.

(*b*) That immediate steps be taken to ensure the raising of the lighthouse in order to enable a second floor to be built for stores or offices on each of the Municipal stores.

SECTION VII.

COMMUNICATION BETWEEN TOWN AND PORT.

A. RAILWAY ACCESS.

Present Conditions.

(1) Railway access to the port at present depends on a narrow-gauge line running through the main streets of the town and almost entirely monopolizing the northern access to the port. In these circumstances its interference with other traffic is so great that it has been found necessary to limit its operation to hours of the night when other traffic has ceased.

Port to Maslakh Bay.

(2) The Commission find that the only satisfactory means of enabling the broad-gauge to reach the port is to construct a reclamation between the Quarantine Station and Maslakh Bay.

From the results of borings and soundings it is doubtful whether it will be much more expensive to rebuild the sea-wall 90 metres out than it would be to construct it only 10 metres outside the present sea-wall. Hence the Commission are of opinion that this reclamation should take the form already recommended on other grounds in Section IV of this report.

Maslakh Bay to Jaffa Station.

(3) A number of alternative means of bringing the broad-gauge line to Maslakh Bay have been examined. The best method has been found to be to extend the existing line past Jaffa station through the north-west corner of the old Moslem cemetery.

A detailed survey of this route has now been completed, the estimated cost of expropriation and construction as far as Maslakh Bay being £E.15,000, including £E.7,000 for the length of sea-wall.

RECOMMENDATION.

The Commission strongly urge the immediate sanction of this extension as far as Maslakh Bay, being of opinion that this is a necessary preliminary to the constructions recommended in Section IV.

B. ROAD ACCESS.

Present Conditions.

(1) Road access to the port from the south is difficult owing to its steep gradient (7 per cent.), and from the north is almost impossible owing to the extreme narrowness (3.5m) of the road which is shared with the railway.

Four suggested Roads.

(2) The Commission consider that the problem can only be fully solved by the construction of:—

(*a*) a beach road along the sea-front to Allenby Road, Tel-Aviv;

(*b*) a northern avenue connecting this beach road with King George Avenue;

(*c*) a southern avenue supplementing the existing southern access to the port; and

(*d*) a central avenue connecting the reclamation described in Section IV of this report with the centre of the town.

These four roads are shown on the accompanying plan.* The estimated cost is indicated in the attached schedule.†

Expropriation.

(3) The costs of expropriation are shown in this schedule at present-day market values, and also under Article 20 of the Town Planning Ordinance.

The Commission consider that the latter rates should be enforced and that further reductions of cost be made by recovering of betterment tax in accordance with Article 26 of the same Ordinance.

Construction.

(4) In accordance with the ruling that port development and maintenance is a proper charge to the taxpayers and that this principle includes the construction and maintenance of roads affording access to the port and which are used mainly for traffic to and from the port, the Commission, with the exception of the Public Works representative, recommends that Government should undertake that part of the roads which are coloured red on the plans.‡

RECOMMENDATION.

(5) The Commission recommend the immediate sanction of long-term loans to the Jaffa Municipality and Tel-Aviv Township sufficient to cover the expenses of expropriation and construction of the roads described above.

SECTION VIII.

QUARANTINE AND RECEPTION OF TRAVELLERS AND IMMIGRANTS.

Present Conditions.

(1) Travellers and immigrants are landed at present at the old Customs shed where their baggage is examined. Third-class travellers and immigrants then proceed with their hand luggage to the quarantine lazarette at the south end of the town, where they undergo various quarantine and medical formalities. The heavy baggage is detained in the port pending Customs examination and, when necessary, disinfection at the port disinfecting station. After the release of the travellers and immigrants from the lazarette they are at liberty to attend to their heavy baggage in the port.

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* Not printed. † Schedule (3). ‡ Not reproduced.

Health Requirements.

(2) The Commission consider that the quarantine offices need enlarging from their present area of 70 square metres to 96 square metres, but that the port disinfecting station can be decreased from 785 square metres to 540 square metres.

Site.

(3) In regard to siting, both the quarantine offices and the disinfecting station are so placed as seriously to impede traffic at the port. The proximity of the disinfecting station boiler engine to the timber dump adds unnecessary risk of fire. The Commission considers that all reception offices of passengers should be concentrated near the central landing stage and recommends that when the old Customs shed is removed these offices should be accommodated on a second floor above the site of the shed.

The port disinfecting station must be situated within the port area for the convenience of passengers and immigrants [?and] should be within a reasonable distance of the landing stage.

Quarantine Lazarette.

(4) The Commission is informed that a scheme has already received approval for enlarging the present quarantine lazarette at the south of the town. This includes provision of a special landing stage opposite the station and will make it possible to deal with four hundred immigrants or pilgrims at a time instead of only 150 as at present.

The lazarette will be completely equipped with bathing and disinfecting establishments as well as Customs examining accommodation thus enabling pilgrims and immigrants to complete all formalities without entering the port area.

RECOMMENDATION.

(5) The Commission recommends that the scheme outlined in paragraph 4 above be carried out with the least possible delay.

RONALD STORRS,
Chairman,
Jaffa Port Commission.

25th March, 1926.

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(1)

SCHEDULE OF APPROXIMATE ESTIMATES OF COST OF EXTENSIONS AND ALTERATIONS OF SEA-WALL PROPOSED IN SECTION IV.

(*Mr. Antebi's Figures.*)

	£E.
(*a*) First breakwater reinforcing reef	30,000
(*b*) Second breakwater due west of Maslakh Bay ...	21,000
(*c*) Quays and reclaim south of Maslakh Bay	45,000
	£E.96,000

(2)

SCHEDULE OF APPROXIMATE ESTIMATES OF COST OF IMPROVEMENTS OF LANDING FACILITIES PROPOSED IN SECTION III.

Item.	*Detailed Costs.*	£E.	*Totals.* £E.
(a) Continuous quay from North end of old Customs shed to disinfecting station.	(i) Quay between Customs shed and Jacobsons.	15,000	
	(ii) Surrounding new reclamation by sea-wall and quay.	20,000	35,000
(b) Clearing of quays.	(i) Removing Customs shed expropriating, and	500	
	(ii) Removing of Jacobsons.	2,000	2,500
(c) Cranes.			5,000
(d) Cleaning inside of reef and isolated rocks.	(i) Blasting	10,000	
	(ii) Dredging.	6,000	16,000
			£E.58,500

(3)

SCHEDULE OF ESTIMATES FOR ALTERNATIVE ROADS GIVING ACCESS TO THE JAFFA PORT.

Road.	*Details of Estimates.*	*Rate.*	*Item.* £E.	*Total.* £E.
Southern Avenue H. in No. 16. Minutes paragraph 3.	*Expropriation :*			
	(a) Rental of Heireish Building £E.700.	6.66%	10,500	
	(b) Armenian Stores No. 5.	£E.800	4,000	
	(c) Value of Lands 2,600 M2.	£E.1.50 per M2	3,250	
	Works :			
	(d) Road repairs 9,000 M2.	Pt. 50. per. M2	4,500	
				22,250
Central Avenue E. in No. 16. Minutes paragraph 3.	*Expropriation :*			
	(a) Expropriation of Buildings Rental value £E.1,450.	8.33%	17,400	
	Works :			
	(b) Demolition.		850	
	(c) Road Repairs 5,750 M2.	Pt. 50	1,875	
	Supporting wall on sea side 30 M.	£E.40 per M	1,200	
				21,325
Central Cemetery Road C. No. 16. Minutes paragraph 3.	*Expropriation :*			
	(a) Buildings Rentals 860.	8.33%	10,320	
	Works :			
	(b) Demolition.		500	
	(c) Supporting Sursock Building.		1,000	
	(d) Road Repair 1,800 M2.	Pt. 50 per M.	900	
				12,720
Extension of King George Avenue.	*Expropriation :*			
	Sakigha Buildings.	8.33%	8,400	
	Rental 700.		1,000	
	Maarif Scool.		1,200	
	Other Property.			
	Works :		500	
	Demolition.	Pt. 50	3,300	
	Road Repair 6,600 M2.	per M2		
				14,400
				£E.70,695

C. 9929/26

No. 5.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 11th May, 1926.)

[*Answered by No.* 10.]

(Confidential A.)

SIR, Government Offices, Jerusalem, 29th April, 1926.

I HAVE the honour to forward, for your consideration and approval, copy of the findings of a Board of Arbitration which was appointed to determine what would be a reasonable price to be paid by the Government to the Municipality of Jaffa for that part of the foreshore of Jaffa bounded by the existing sea-wall on the west and south, by the approach road on the east, and by the Disinfecting Station on the north.

Reference is invited to the plan* which accompanied my despatch Confidential "B" dated the 18th of December, 1925.†

2. The Municipality had entered proceedings in the Land Court against the Government in which it claimed ownership of the area in question and certain other adjacent areas by virtue of the wording of title-deeds which it holds and of works of reclamation actually carried out by it in the past.

I was anxious to avoid the interruption of the programme of urgent improvements at the port of Jaffa, which protracted litigation must cause, but I recognized at the same time, the equity of compensating the Municipality, if it surrendered its claim, for its expenditure on the existing sea-wall and its interest in the resulting reclamation.

3. I therefore authorized the Assistant District Commissioner, Jaffa, to conduct negotiations with the Municipality, and the following provisional agreement was reached:—

(i) The site occupied by the Disinfecting Station to be recognized as Government property.

(ii) All the rest of the foreshore enclosed by and lying to the east of the sea-wall constructed by the Municipality to be recognized as Municipal property.

(iii) The claim of the Municipality to the rest of the foreshore lying to the south of the sea-wall to be renounced.

These arrangements appeared to be to provide a suitable compromise, but it was necessary to proceed to a further stage because it is essential that the land comprised in (ii) above should be in the undisputed ownership of Government, if, in accordance with the principles I have adopted, the complete control of all port operations at Jaffa and at other ports shall be with the Government. The Municipality, recognizing that important public interests were involved, agreed to refer the determination of a fair price for the land, having regard to all the prior circumstances, to a body consisting of Government officers and their own representatives.

I am advised that the suggested price of £E.5,800 is undoubtedly reasonable and in the circumstances I should be glad to receive your early authority to incur this expenditure against Loan funds.

4. As I have stated above it is in my view an indispensable feature of the scheme for the urgent improvement of conditions at the port of Jaffa that the whole port area should be brought as soon as possible within the undisputed ownership of the Government. In the circumstances, this favourable opportunity of acquiring an integral section of that area should not be neglected. The proposal is not dependent on questions arising from the proposed railway diversion, nor on the larger projects for harbour works at Jaffa, but must be regarded as an important element of the further stages of the Improvement Scheme, for the execution of which your sanction was sought in paragraph 3 of my Confidential despatch dated the 18th of April.‡

I have, &c.,
PLUMER, F.M.,
High Commissioner.

* Not reproduced. † No. 1. ‡ No. 1.

Enclosure in No. 5.

DECISION OF BOARD OF ARBITRATORS.

WE the undersigned members of a Board of Arbitrators appointed to determine a reasonable sum to be paid by the Government of Palestine to the Municipality of Jaffa in full satisfaction of all claims to the foreshore which lie within, and to the south of, the boundaries of the Disinfecting Station, hereby declare it to be our unanimous opinion that the sum of five thousand eight hundred pounds Egyptian (£E.5,800) should be so paid, it being understood that these proposals have been made in the public interest and in no way prejudice the rights of either the Government of Palestine or the Municipality of Jaffa should it be necessary to resume litigation.

Signed: C. W. Cowell, of Public Works Department
Maurice Bennett, Lands Department
} on behalf of the Government of Palestine.

A. El Said
R. Tabagi
} on behalf of the Municipality of Jaffa.

The sum estimated is considered reasonable.

Signed: Salim El Umari.
S. Jabagi.

J. E. F. CAMPBELL,
Chairman of Board.

C. 9930/26

No. 6.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 11th May, 1926.)

[*Answered by Nos.* 8 *and* 13.]

(Confidential.)

SIR, Government Offices, Jerusalem, 30th April, 1926.

I HAVE the honour to refer to your despatch, Confidential, of the 5th of February,* and to say that I agree with your view that the proposals for railways development contained in pages 145 to 155 of Mr. Anthony's report must be considered in relation to other schemes involving capital expenditure and, in particular, to harbour policy and works in Palestine. I note that these proposals have been submitted to Mr. Palmer and another expert and that copies of their reports upon them will be sent to me in due course.

2. The general policy involved is a very serious matter and I have considered it very carefully. I am convinced that it is to the interest of Palestine that the construction of a well-equipped port at Haifa should be placed first in any programme of work to be carried out, and that none of the money allotted for this purpose in the Loan Schedule should be diverted from it for any railway extensions or other schemes.

However desirable from a railway point of view the diversion of the Kantara-Rafa railway from Kantara to Port Said may be, I feel strongly that it should not be allowed to involve any postponement of the construction of a harbour at Haifa; and further I am of opinion that until that harbour is established it would be extremely unwise, for economic political and strategic reasons, to spend Palestine funds on making Palestine dependent on a foreign port.

I recommend, therefore, that this railway diversion should be deferred until the port of Haifa has been well established.

3. The extension of the standard-gauge line from Haifa to the northern frontier as part of a scheme for railway through communication between Cairo, Constantinople and Europe is an attractive project, and one that will probably be remunerative in respect of passenger traffic between Egypt, Palestine and Syria. The French are anxious to begin the construction of the section of the line from Beyrouth southwards as soon as possible, but here again the importance of hastening

* No. 3.

the establishment of a port at Haifa is evident; as, if railway communication were established with Beyrouth before the construction of the port at Haifa there would be risk of a certain amount of Palestinian trade being diverted to the former place.

4. A diversion of the main line from Lydda to Jaffa and Tel-Aviv is certainly in the interests of the local (Jaffa-Jerusalem) trade and should be undertaken whenever capital for the purpose is available. It will probably be necessary in the interests of economy to expropriate at once the land required for a new station at Jaffa and on this matter I shall address you separately very shortly.

5. My recommendations for improvements at the port of Jaffa are contained in my Confidential despatch of the 18th of April, 1926.*

6. I propose, subject to your concurrence, to abandon the Rafa-Beersheba branch of the railway.

I have, &c.,
PLUMER, F.M.,
High Commissioner.

C. 10296/26

No. 7.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 17th May, 1926.)

[*Answered by No.* 13.]

(Confidential.)

SIR, Government Offices, Jerusalem, 5th May, 1926.

I HAVE the honour to refer to my Confidential despatch dated the 18th of April, 1926,* on the subject of improvements to the Jaffa Port and to inform you that, in order to carry out the works provided for in the further stages of the scheme submitted under cover of my despatch dated the 18th of December, 1925,† the Department of Public Works will require to be provided, as a temporary measure, with the services of an engineer with experience and qualifications in harbour works.

2. I enclose herewith 6 copies of Form No. P.F.29‡ showing particulars of the appointment. As the appointment is of a temporary nature I consider it preferable to offer a consolidated salary and I am advised that it is unlikely that a suitably qualified and experienced engineer could be obtained for less than £E.1,000 per annum.

3. If you approve of the recommendation made in my despatch under reference, to proceed with the further stages of the scheme, I shall be grateful if you will also cause steps to be taken to secure a suitable candidate for this appointment.

I have, &c.,
PLUMER, F.M.,
High Commissioner.

C. 9930/26

No. 8.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Confidential.)

MY LORD, Downing Street, 19th June, 1926.

I HAVE the honour to refer to Your Lordship's Confidential despatch of the 30th of April§ in regard to the proposals for railway development contained in Mr. Anthony's report.

2. I note that you consider that the construction of a well-equipped port at Haifa should be placed first in any programme of work to be carried out. As I informed you in my Confidential despatch of the 5th of February,‖ the various proposals regarding harbour works have been referred to Mr. Palmer of Messrs. Rendel, Palmer and Tritton, Consulting Engineers for Harbour Works to the Crown Agents. I shall consider your views when I receive Mr. Palmer's report on the question.

3. In the meantime, I approve your proposal to abandon the Rafa-Beersheba branch of the railway.

I have, &c.,
L. S. AMERY.

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* No. 4. † No. 1. ‡ Not reprinted. § No. 6. ‖ No. 3.

C. 12566/26

No. 9.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 21st June, 1926.)

[*Answered by No.* 13.]

(Confidential B.)

SIR, Government Offices, Jerusalem, 11th June, 1926.

I HAVE the honour to refer to the 3rd paragraph of my despatch Confidential of the 18th of April,* on the subject of the improvement of Jaffa Port, and to request your early sanction for the execution of the second stage of the scheme submitted with my despatch Confidential "B" of the 18th of December, 1925,† in order that the preliminary steps in connexion with the acquisition of the Armenian Convent site may be undertaken.

2. I am of the opinion that it is essential that the provision of additional storage accommodation should be proceeded with at once. I am advised that there will be a record orange crop this year and it is anticipated that 2,000,000 cases will be handled at the port during the season. Under present conditions it will be impossible to provide adequate accommodation and the Administration will be subject to adverse and justified criticism from agents and shippers.

3. I am anxious, therefore, to demonstrate that Government are taking all possible steps to ameliorate the storage conditions at the port.

I have, &c.,
PLUMER, F.M.,
High Commissioner.

C. 12721/26

No. 10.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Confidential.)

MY LORD, Downing Street, 30th June, 1926.

I HAVE the honour to refer to Your Lordship's despatch Confidential A of the 29th of April‡ on the subject of the claim of the Municipality of Jaffa to ownership of a part of the foreshore of Jaffa and to inform you that I approve your proposal to incur expenditure of £E.5,800, to be charged against Loan funds, in full settlement of the claim.

I have, &c.,
L. S. AMERY.

C. 12566/23

No. 11.

COLONIAL OFFICE to CROWN AGENTS FOR THE COLONIES.

[*Answered by No.* 12.]

GENTLEMEN, Downing Street, 12th July, 1926.

I AM directed by Mr. Secretary Amery to refer to the letter from this Department, of the 16th of June,§ in regard to the improvement of harbour facilities in Palestine, and to transmit to you the accompanying copies of two further despatches‖ which have been received from Lord Plumer regarding the improvement of conditions at the port of Jaffa.

2. As Mr. Palmer's report on the question of railway and harbour facilities in Palestine has not yet been received, Mr. Amery is not at present in a position to take a decision on the proposals recommended by Lord Plumer in the enclosed despatches. I am to request therefore that Mr. Palmer may be asked to expedite his report, and may be informed that if he wishes to submit for the consideration of the Secretary of State any observations on Lord Plumer's proposal for the appointment of an Engineer to carry out the harbour works at Jaffa he should deal with this question in his report.

I am, &c.,
J. E. SHUCKBURGH.

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* No. 4. † No. 1. ‡ No. 5. § C. 9929/26: not printed. ‖ Nos. 7 and 9.

C. 14572/26

No. 12.

CROWN AGENTS FOR THE COLONIES to COLONIAL OFFICE.

SIR, 4, Millbank, Westminster, London, S.W.1, 23rd July, 1926.

WITH reference to the Colonial Office letter of the 12th July, 1926,* and previous correspondence, I have the honour to transmit for the consideration of the Secretary of State the enclosed copy of a report submitted by Messrs. Rendel Palmer and Tritton, on the proposals which have been made for improving the harbour facilities of Palestine.

I have, &c.,
F. G. BRADSTREET,
for Crown Agents.

Enclosure in No. 12.

12-14, Dartmouth Street, Westminster, London, S.W.1,
14th July, 1926.

[Received by Crown Agents 16th July, 1926.]

GENTLEMEN,

PALESTINE HARBOURS.

THE questions which have been referred to us include proposals for dealing with the Import and Export Trade of Palestine at three separate places, viz., Jaffa, Haifa and Port Fuad—the latter being on the northern end of the Suez Canal opposite to Port Said and separated from that place only by the Canal.

Jaffa.

In the despatch, dated 18th December, 1925,† from His Excellency the High Commissioner, it is stated in paragraph 3 that the congestion which exists (at Jaffa) is entirely due to the great increase of traffic through the port. On pages 4 and 5 of Mr. Palmer's report on Harbour Facilities for Palestine, dated July, 1923,‡ tables are given of (1) the registered tonnage entering the port, (2) the tonnage and value of trade, and (3) the export of oranges, and we think it would be useful to have corresponding figures for 1923, 1924, and 1925. The tables referred to show that in the three post-war years the total tonnage dealt with is appreciably less than in 1913, while the export of oranges by sea in 1921-22 is less than one-half of the export in 1913.

These facts are mentioned to show that Jaffa in 1913 was able to deal with a trade considerably greater than that of 1922, notwithstanding the much improved communications, both by road and rail, which have come into existence since the war. There were, doubtless, even more difficulties to contend with then than at the present time, but, of course, this is no reason for not providing such improvements in facilities as may be required and which can be shown to afford some return—if only a modest return—on the capital expenditure involved in carrying out the works. We are of the opinion that, without the trade statistics asked for in the preceding paragraph, it is difficult to visualise the extent to which further expenditure is justifiable.

It is noticed in the Report dated 25th March, 1926,§ of the Commission, presided over by Sir Ronald Storrs, appointed to consider the present condition of the Jaffa Port and to make recommendations for their general improvement, that reference is made to considerable increases in the trade of the port since 1922. The registered tonnage of vessels entering is said to have increased by 57 per cent., orange export to have increased *in value* by 45 per cent., and the total value of trade by 83 per cent. But it would afford a more accurate comparison if the trade of 1923, 1924 and 1925 were given in the same form as in Mr. Palmer's report.

Dealing with the proposals which accompany Lord Plumer's despatch, we understand that certain works have been carried out since Mr. Palmer's visit in 1923, and, in particular, a new quay-wall in front at the point marked "2c" on Drawing No. 1338; but on this plan, and in photograph 2a, it appears that a bank

* No. 11. † No. 1. ‡ 45850/23: not printed. § Enclosure in No. 4.

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exists outside the sheet-pile wall which, unless it has been subsequently dredged away, would prevent boats from coming alongside to load or discharge goods. In Stage 4 of the proposals now before us, a new quay-wall "4a" is shown at a distance of from 10 to 30 feet outside (seaward of) the new sheet-pile wall, but the bank already referred to extends even beyond the outer wall now included in the estimate. It appears to us that had this outer wall been constructed in the first instance, there would have been a considerable saving in expenditure, and this is an additional reason for having before us the trade figures. It is only by a study of such evidence as these figures would afford that a project can be devised which would provide economically for present conditions, and at the same time allow for future expansion of that trade.

In regard to the works referred to as Stage 1, Stage 2 and Stage 3, we can offer no useful criticism on the items Stage 1 (*b*), Stage 2 (*a*) and (*b*) without visiting the site. The physical conditions offer serious difficulties in obtaining a good "lay-out" of warehouses to serve the quays. The old town impinges upon the quays on the eastern side, while on the west side there is but a narrow channel between the quays and the reef which affords protection to lighters loading or unloading cargo. But the other works mentioned under the first three stages appear to be well conceived, and, in particular, we think the proposal to construct a quay-wall across the bight at 3 (*a*) is an excellent one. This bight is doubtless responsible for the bank already referred to, which exists outside the sheet-pile wharf, and when the new quay at 3 (*a*) is built, it is probable that the bulk will be removed by erosion. But in case dredging is required, there is a reasonable prospect of maintaining a sufficient depth of water at little or no cost.

Subject therefore to further consideration of the question after studying trade figures, we are of opinion that the quay, channel, and appurtenant works (other than land acquisition and warehouses, which we are unable to deal with) can be recommended as greatly improving the facilities of the port.

There is, however a further work which we consider should be undertaken in connexion with the Jaffa Port Improvement Scheme. We refer to the proposal to carry a standard-gauge railway from Jaffa station to the quays, as shown on Plan No. G, facing page 149 of Mr. Anthony's Report* on the Palestine Railways. The existing tram line is quite inadequate and also necessitates transhipment at the station, and we believe that the laying of a standard-gauge siding along the quay would serve to relieve, and largely remove, the congestion which is, perhaps, even greater to-day than when Mr. Palmer inspected the port in 1923. We have no figures to show what the cost of this railway connexion would amount to, but we believe it could be provided for about £30,000, and we have no hesitation in saying that if an expenditure of £110,000 is justifiable for port improvement, the further cost of providing rail access to the quays is doubly justified. In fact, we might go so far as to say that expenditure upon quays necessitates the provision of the railway approach thereto.

Haifa.

The proposals made in regard to facilities at this port are two in number: (1) the question of dredging the sand bar which has formed alongside the existing quay, and (2) the extension of the jetty in accordance with the recommendation made on page 148 of Mr. Anthony's Report.

(1) The condition of the quay has deteriorated, by silting, to such an extent that immediate dredging is necessary. It is proposed either to undertake, by contract, dredging 10,000 cubic metres of sand at a cost of £6,000 and to deposit the sand to form a reclamation, 7,500 square metres in area, for which work a retaining wall estimated to cost £3,000 is necessary, or, alternatively, to purchase a new dredging plant at a cost of £6,500, by which the removal of the sand could be effected at a cost of £2,500, in addition to the cost of the reclamation retaining wall (£3,000). The relative cost of these proposals, as given by the Director of Works, is as follows:—

* C. 10344/26: not printed.

	Dredging by Contract. £		*Departmental Dredging.* £
Removal of sand	6,000	Dredger	6,500
		Cost of dredging...	2,500
Retaining wall	3,000		3,000
Total first cost ...	£9,000		£12,000
Annual cost	£3,000 to £4,000		£1,000 to £1,200

On these figures, it is obviously preferable to carry out the work departmentally as recommended by the Director of Public Works.

(2) The proposal to extend the existing jetty, as described in Mr. Anthony's Report, is estimated to cost £150,000, and the annual charges arising therefrom at £15,000. A table is given of the cost of operating, in which the quantity of cargo to be handled is given as 150,000 tons, as compared with an actual tonnage in 1922 of 106,895. The statement shows that, at present, the cost of landing and loading cargo is 33 piastres per ton, while at the new jetty the services could more effectively, and more safely, be done for 25 piastres per ton, including interest, maintenance, and depreciation on the jetty expenditure. The saving on 150,000 tons of cargo would therefore be £12,000 per annum in direct charges and, in addition, the losses inherent to the present system of lightering would be avoided.

It seems abundantly clear that, on these figures, the construction of the jetty is fully justified, and, for this reason, and also because the proposal forms part of the scheme included in Mr. Palmer's Report, we are of opinion that the work is one that should be undertaken, provided that detailed plans and estimates for the jetty substantiate the figure given, and, also, that the trade of the port has expanded to the extent suggested, viz., 150,000 tons per annum.

In this connexion, we think it would be useful to have the statistics of trade, given on page 20 of Mr. Palmer's Report, extended to cover the years 1923, 1924 and 1925.

The third question, viz., of diverting the western end of the Kantara-Rafa Railway to Port Said, is one that deserves the most serious consideration. It is very fully dealt with in Mr. Anthony's Report, and the advantages seem to be unquestionable from a commercial point of view.

To make Port Said the western terminus of this railway would place at the service of the trade of Palestine the enormous advantage of access to shipping trading to practically all parts of the world. As against the extra cost of railway carriage, there would be a considerable saving in the cost of landing or loading cargo, both in regard to actual charges and in the avoidance of losses due to lightering. Ocean freight rates would also be much less, because of the greater competition which would be afforded at Port Said, and, also, because cargo could be landed or loaded at all times of the year, hereas, as Jaffa, it is impossible to deal with cargo on 80 days of each year, and at Haifa on 34 days per annum.

The importance of this latter fact in regard to the export of oranges cannot be overstated. The fruit could be shipped daily, and thereby reach the markets in regular consignments. In the height of the 1922 fruit season, it was impossible to ship oranges at Jaffa on 30 days out of 59 (January and February), and the loss to the growers must have been very great. Not only is there loss in value, due to the fruit being detained, but a further loss owing to the markets being glutted with supplies when shipment could be resumed.

The estimated cost of the diversion and of wagon ferries is £175,000, and we cannot help feeling that this expenditure would solve, for many years to come, all questions of harbour facilities for Palestine. We are convinced that practically the whole of the trade of Palestine could, and would, be dealt with at Port Said at less cost to the consumer than at present, and, incidentally, the country would further benefit from the increased earnings of the Palestine Railways.

The general policy involved is dealt with in Lord Plumer's despatch of 30th April, 1926,* and, in view of the opinions expressed therein, we can do no more than to express our view that, judged as a purely commercial proposition (apart from political and strategic reasons) the proposal is undeniably sound, and that the

* No. 6.

cost involved would postpone for many years the necessity for carrying out the works at Jaffa and Haifa referred to under the first two heads of this report. In fact, it is improbable that expenditure at either of these ports would be required until such time as development of the trade of Palestine would justify the construction of a harbour at Haifa, which we believe to be the only place on the whole coast economically suitable for a port capable of dealing with vessels 30 feet or more in draft.

We are, &c.,
RENDEL, PALMER AND TRITTON.

The Crown Agents for the Colonies.

P.S.—Since writing the foregoing, we have received your letter of the 13th instant. The only matter referred to therein which has not already been dealt with is that of the appointment of an Engineer to supervise the construction of the works at Jaffa if, and when, sanctioned. We suggest that we lend an Engineer from our own staff for this purpose, for such time as he may be required. We could send a man who could prepare any detailed drawings required and with experience of this class of work.

R. P. AND T.

C. 14572/26

No. 13.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

[*Answered by Nos.* 15 *and* 17.]

(Confidential.)

MY LORD, Downing Street, 1st September, 1926.

WITH reference to the correspondence noted in the margin,* I have the honour to transmit to you a copy of a letter† from Messrs. Rendel, Palmer and Tritton to the Crown Agents for the Colonies on the improvement of Palestine harbour facilities.

2. You will see that, as regards Jaffa, the Consulting Engineers wish to receive statistics for 1923, 1924, and 1925 of :—

(1) Registered tonnage of vessels entering the port.
(2) The tonnage and value of exports and imports.
(3) The number of boxes of oranges exported from Jaffa by sea and by rail.

3. The Consulting Engineers also think that figures for (1) and (2) for Haifa would be useful in dealing with the proposals for Harbour Works at that port.

4. You will no doubt arrange for these statistics to be supplied as soon as possible. I will address you shortly as regards the rest of the Consulting Engineer's letter.

I have, &c.,
L. S. AMERY.

C 14572/26

No. 14.

THE SECRETARY OF STATE to THE ACTING HIGH COMMISSIONER.

[*Answered by No.* 17.]

(Confidential.)

SIR, Downing Street, 16th September, 1926.

I HAVE the honour to refer to my Confidential despatch of the 1st of September‡ with which I forwarded a copy of a letter from Messrs. Rendel, Palmer and Tritton to the Crown Agents for the Colonies on the improvement of Palestine harbour facilities.

2. In his Confidential despatch of the 5th of May§ Lord Plumer requested that if it were decided to proceed with the further stages of the scheme for the improvement of the port of Jaffa a suitable candidate for a temporary appointment as Engineer to the scheme should be selected, and in his despatch Confidential B of the 11th of June‖ he recommended that sanction should be given for the execution of the second stage of the Jaffa scheme.

3. In view of the considerations raised by Mr. Palmer in his letter to the Crown Agents Lord Plumer may now wish to have further advice before embarking

* Nos. 1, 3, 4, 6, 7, and 9. † Enclosure in No. 12. ‡ No. 13. § No. 7. ‖ No. 9.

on the second stage of the scheme of harbour improvement at Jaffa, and may wish to have the benefit of the advice of an engineer to be sent out by Messrs. Rendel, Palmer and Tritton for the purpose of further investigation. If, after consideration of Mr. Palmer's report, Lord Plumer decides to defer the second stage of the Jaffa scheme until he has had further advice I shall be glad if I may be informed by telegraph whether he wishes Messrs. Rendel, Palmer and Tritton to be asked to send out an engineer to Jaffa who could, if it were eventually decided to proceed with the scheme, supervise the work of construction. If, on the other hand, Lord Plumer wishes to proceed forthwith with the second stage of the Jaffa scheme I shall be prepared, on receipt of a notification to this effect, to seek the necessary sanction from the Lords Commissioners of the Treasury and, if Lord Plumer agrees, to arrange for an engineer to be sent out by Messrs. Rendel, Palmer and Tritton to undertake the supervision of the work of construction.

I have, &c.,
L. S. AMERY.

C. 19561/26

No. 15.

THE ACTING HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 18th October, 1926.)

(Confidential.)

SIR, Government Offices, Jerusalem, 7th October, 1926.

I HAVE the honour to refer to your Confidential despatch of the 1st of September* transmitting a copy of a letter from Messrs. Rendel, Palmer and Tritton to the Crown Agents for the Colonies on the improvement of Palestine harbour facilities and to transmit herewith a schedule of the statistics which the Consulting Engineers wished to receive.

2. There are no records of the tonnage of exports and imports; and separate figures for exports of oranges from Jaffa by sea and by rail after 1924 are not available.

I have, &c.,
G. S. SYMES,
Officer Administering the Government.

Enclosure in No. 15.

REGISTERED TONNAGE OF SHIPS ENTERING THE PORTS OF JAFFA AND HAIFA.

Jaffa.

Year.	*Sailing Vessels.*		*Steam Vessels.*		*Total.*	
	No.	*Tonnage.*	*No.*	*Tonnage.*	*No.*	*Tonnage.*
1923 ...	527	12,209	375	703,778	902	715,987
1924 ...	378	10,038	376	792,115	754	802,153
1925 ...	734	16,414	504	1,143,485	1,238	1,159,899
			Haifa.			
1923 ...	485	8,698	218	509,424	703	518,122
1924 ...	416	6,803	228	535,865	644	542,668
1925 ...	542	7,516	250	688,134	792	695,650

VALUE OF IMPORTS AND EXPORTS EXCLUDING SPECIE THROUGH THE PORTS OF JAFFA. AND HAIFA.

Year.	*Jaffa.*			*Haifa.*		
	Imports. £E.	*Exports.* £E.	*Total.* £E.	*Imports.* £E.	*Exports.* £E.	*Total.* £E.
1923 ...	2,253,086	610,946	2,864,032	1,320,213	112,360	1,432,573
1924 ...	2,531,997	659,150	2,901,147	1,453,352	173,780	1,627,132
1925 ...	4,031,772	854,323	4,886,045	1,877,287	133,371	2,010,658

* No. 13.

EXPORT OF ORANGES FROM JAFFA.

Number of Boxes.

	By Sea.	*By Rail.*	*Total.*
1923	728,593	404,955	1,133,548
1924	890,247	213,696	1,103,943
1925	No separate figures available		1,677,596

C. 20433/26

No. 16.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 3.0 a.m., 26th October, 1926.)

TELEGRAM.

No. 305 of the 25th October. Please refer to my despatch of 21st October, Confidential,* now in transit to you on the subject of Jaffa Harbour. Do not proceed immediately with the new appointment suggested in paragraph No. 4 since it may be possible to execute the work with the existing staff under a redistribution of duties.—PLUMER.

C. 20433/26

No. 17.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 2nd November, 1926.)

[*Answered by No.* 20.]

(Confidential.)

SIR, Government Offices, Jerusalem, 21st October, 1926.

I HAVE the honour to refer to your Confidential despatches of the 1st and 16th of September, 1926,† on the subject of the improvement of conditions in Jaffa Port.

2. I have given renewed consideration to the proposals made by me in December last year and am convinced that this Administration would fail in its duty towards the commercial community of Palestine if it did not proceed to the execution of Stage 2 of the scheme which was formulated at that time. Criticism is directed not so much towards the lack of maritime facilities at the port as towards the internal congestion in the land area. Stages 3 and 4 of the scheme may therefore be postponed for future consideration, but it is necessary to devote activity to the improvement of warehouse accommodation and to access to and from the port area.

3. I therefore desire to proceed forthwith with the second stage of the scheme at Jaffa and shall be grateful if you will seek the necessary sanction from the Lords Commissioners of the Treasury. The estimates of expenditure submitted total in a sum of £E.54,900 and it is proposed to set this charge against the Palestine Loan.

4. You have indicated that Messrs. Rendel, Palmer and Tritton might be asked to send out an Engineer to Jaffa to supervise the work of construction contemplated. Stage 2 of the scheme, however, requires no specialist supervision in regard to harbour works since it is concerned wholly with internal improvements in the port area. It is, however, essential that the work be supervised by an officer directly responsible to the Director of the Department of Public Works. I should therefore be grateful if the Crown Agents may be instructed to select a civil engineer for this specific project. I have indicated in my Confidential despatch of the 5th of May, 1926,‡ it is unlikely that a suitable candidate would be found for less than a consolidated remuneration of £E.1,000 per annum. I have no reason for revising that opinion. I therefore suggest that an Assistant Engineer be appointed for this work at consolidated emoluments of £E.1,000 per annum for the period of one year, with possibility of extension of period of contract.

5. The execution of this project will go far towards betterment of conditions at the port, and will remove from this Government a reproach that is not unjustified.

I have, &c.,
PLUMER, F.M.,
High Commissioner.

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* No. 17. † Nos. 13 and 14 ‡ No. 7.

C. 19561/26

No. 18.

COLONIAL OFFICE to CROWN AGENTS FOR THE COLONIES.

GENTLEMEN, Downing Street, 6th December, 1926.

I AM directed by Mr. Secretary Amery to refer to the letter from this Department, of the 1st of November,* transmitting for communication to your Consulting Engineers, copies of Lieutenant-Colonel Symes' Confidential despatch of the 7th of October† and of the enclosed schedule containing certain statistics in connexion with the trade of the ports of Jaffa and Haifa.

2. It will be recalled that Messrs. Rendel, Palmer and Tritton, who were consulted in regard to the various proposals submitted for the improvement of harbour facilities at Jaffa and Haifa, expressed the opinion that certain parts of these proposals were satisfactory provided that the figures of tonnage on which they were based either had been, or were likely to be realized. As Lieutenant-Colonel Symes explained in his despatch of the 7th of October, records of the tonnage of exports and imports at the two ports are not available. The whole of the additional information for which Messrs. Rendel, Palmer and Tritton asked has therefore not been furnished but I am to request that you will ascertain and report to this Department at an early date whether that firm wishes to offer, in the light of the statistics forwarded by Lieutenant-Colonel Symes, any further observations on the proposals submitted to them or to modify in any way the observations which they have already made.

I am, &c.,
J. E. SHUCKBURGH.

C. 22333/26

No. 19.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 11.35 a.m., 10th December, 1926.)

TELEGRAM.

No. 321. Your telegram No. 320.‡ It is important that layout of Jaffa Port should provide for contingency of standard-gauge railway being extended from Jaffa town to the port. It is not clear how far plans before me take account of this possibility but, provided that you are satisfied that your proposals will fit in with any such railway extension, if carried out, I approve execution of second stage of scheme. Despatch follows.—AMERY.

C. 22333/26

No. 20.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER

(Confidential A.)

MY LORD, Downing Street, 13th December, 1926.

I HAVE the honour to refer to Your Lordship's Confidential despatch of the 21st of October,§ regarding the scheme for the improvement of the port at Jaffa, and to confirm my telegram No. 321 of the 10th of December‖ in which I approved the execution of the second stage of that scheme provided that you were satisfied that your proposals will fit in with a future extension of the standard-gauge railway from Jaffa town to the port, should that project be carried into effect.

2. You will recall that this extension was recommended by Mr. Anthony as part of his proposals for the improvement of port facilities at Jaffa. The questions raised by Mr. Anthony's proposals for capital expenditure on railway and harbour works were referred to Mr. Palmer for his advice and, so far as I am aware, no decision has yet been taken in regard to the recommendation for the extension of the standard-gauge railway to Jaffa port.

* C. 19561/26: not printed. † No. 15. ‡ C. 21448/26: not printed. § No. 17 ‖ No. 19

3. I shall be glad to learn whether you recommend that this railway extension should now be undertaken. If so, you will doubtless submit an estimate of the cost and proposals for meeting the expenditure. Even if it is proposed that the extension of the standard-gauge railway to the port should be postponed I should be glad to be furnished with a plan showing where the extension will run, when it is undertaken, in relation to the works of improvement now in progress at the port.

I have, &c.,
L. S. AMERY.

C. 14572/26

No. 21.

COLONIAL OFFICE to THE COMMITTEE OF IMPERIAL DEFENCE.

(Confidential.)

SIR, Downing Street, 10th January, 1927.

I AM directed by Mr. Secretary Amery to request you to inform the Committee of Imperial defence that he has under consideration the question of the improvement of Palestine harbour facilities.

2. The question is, of course, bound up with the question of railway facilities, and Mr. P. A. Anthony, formerly General Manager and Chief Engineer of the Federated Malay States Railways, who was appointed in 1925 to investigate a number of problems in connection with the Palestine railway system, has recommended that the Sinai Military Railway, which at present runs from Palestine at Rafa to Kantara East on the Suez Canal and is managed by the Palestine Railway Department, should be diverted to Port Fuad on the east bank of the Suez Canal, opposite Port Said.

Messrs. Rendel Palmer and Tritton, the Consulting Engineers employed by the Palestine Government to report on the harbours of Haifa and Jaffa, state that on purely commercial grounds the proposal is undeniably sound, and that if carried out it would probably be unnecessary to undertake any large works at the Palestine ports of Haifa and Jaffa until the development of trade justified the construction of a harbour at Haifa, which they believe is the only place on the coast of Palestine suitable for a port capable of dealing with vessels of 30 feet or more in draft.

4. Lord Plumer, however, is of opinion that it would be unwise for economic, political and strategic reasons to spend Palestine funds on making Palestine dependent on a foreign port, and he recommends that the construction of a well-equipped port at Haifa should be placed first in any programme of works to be carried out.

5. Mr. Amery would be glad to receive the advice of the Committee of Imperial Defence on the relative merits from the strategic point of view of the proposal to develop the port of Haifa and the proposal to base the oversea trade of Palestine on Port Fuad. In this connexion I am to enclose copies of correspondence* which took place in 1924 when the General Manager of the Palestine Railway first put forward the proposal to make Port Fuad the main port for the trade of Palestine. It will be seen that the Army Council and the Air Council were then definitely of opinion that from the military point of view the terminus of the Sinai Military Railway should remain at Kantara East, and that, if it had to be moved, it should be moved south to Ismailia in preference to its being diverted northwards to Port Fuad. It appears to be clear however that, if the trade on the Sinai Military Railway were to increase appreciably, it could no longer be carried on with Kantara East as the terminus, since the ferries there are reaching the limit of their capacity, and duplication of the ferries would inconvenience the passage of vessels through the Suez Canal. The choice therefore lies between (*a*) developing Haifa as a port with a view to its becoming the principal port of Palestine and retaining the Sinai Railway with Kantara East as its terminus as the principal trade route between Palestine and Egypt and as a subsidiary route for passengers and goods to and from other countries, and (*b*) moving the Sinai Railway terminus to Ismailia or Port Fuad and relying on that railway as the principal route between Palestine and European countries.

* 19245/24, 33851/24 and 35059/24: not printed.

6. Mr. Amery would be glad to receive an early reply to this letter, as, now that the Palestine and East Africa Loans Bill has received the Royal Assent, it is desirable to proceed as soon as possible with the schemes for which the Palestine Loan will be raised.

I am, &c.,
J. E. SHUCKBURGH.

C. 14572/26

No. 22.

COLONIAL OFFICE to CROWN AGENTS FOR THE COLONIES.

[*Answered by No.* 24.]

GENTLEMEN, Downing Street, 25th January, 1927.

WITH reference to the letter from this Department of 6th December* regarding the proposals for the improvement of harbour facilities at Haifa and Jaffa (to which no reply has been received), I am directed by Mr. Secretary Amery to request you to inform Messrs. Rendel, Palmer and Tritton that, in view of the passing, last session, of the Palestine and East Africa Loans Act, 1926, the Secretary of State is anxious for definite decisions to be reached as regards the development of Haifa harbour.

2. The Consulting Engineers should be informed that the question of making Port Fuad the main port for the trade of Palestine was considered in 1924, when Colonel Holmes advocated the scheme partly on military grounds. The Army Council and the Air Council were, however, of opinion that from the military point of view the terminus of the Sinai Railway should remain at Kantara East, and that, if it had to be moved, it should be moved south to Ismailia in preference to its being diverted northwards to Port Fuad. It appears, however, that, if the trade on the Sinai Railway were to increase appreciably, it could no longer be carried on with Kantara East as the terminus, since the ferries there are reaching the limit of their capacity and duplication of the ferries would inconvenience the passage of vessels through the Red Sea. The choice, therefore, lies between (*a*) developing Haifa as a port with a view to its becoming the principal port of Palestine and the outlet for the trade of Trans-Jordan, retaining the Sinai Railway with Kantara East as its terminus as the principal trade route between Palestine and Egypt, and as a subsidiary route for passengers and goods to and from other countries; and (*b*) moving the Sinai Railway terminus to Ismailia or Port Fuad and relying on that railway as the principal route between Palestine and European countries.

3. A decision between these two policies cannot be taken solely on commercial considerations. From the purely Railway Department point of view, the advantage of the second scheme with its long railway haul for all oversea traffic is obvious; and there is, no doubt, much to be said for that scheme from the commercial aspect in view of the great volume and variety of the shipping which calls at Port Said as compared with the shipping which even a good harbour at Haifa could be expected to attract.

4. But to spend Palestine funds on making Palestine dependent on an Egyptian port and a line running through a desert which is Egyptian territory, and to prevent Palestine from making an adequate port of its own on its own seaboard, would probably be politically very unpopular in Palestine and in the long run might prove to be unsound both economically and strategically. The strategic aspect is at present being examined by the proper authorities, but there are two points regarding the Haifa scheme upon which Mr. Amery would be glad to receive the views of the Consulting Engineers, assuming that policy (*a*) will be adopted :—

5. In the first place, Mr. Palmer's scheme provided for a long east and west breakwater and an extension of the existing short jetty northwards towards the end of the proposed long breakwater. Mr. Amery feels doubtful whether this scheme gives the landing facilities which harbour works costing about £1,000,000 for a harbour in a favourable locality like Haifa might give. It provides for one long breakwater which is not to be used as a quay, and for an eastern mole (an extension of the present jetty) which is to provide (on the inside of the harbour) only one ship's

* No. 18.

berth "for unloading bulk cargo, such as coal, direct into railway wagons. A second berth can be provided if and when required." A local Committee, in a Report dated 26th March, 1924, said "we consider that the quayage should, if necessary, be extended in order to provide for two steamer berths, since two or more vessels are frequently at anchor, at the same time, in the roadstead." But both Mr. Palmer and the local Committee seem to have envisaged Haifa harbour when the harbour works have been constructed as almost entirely a lighterage port—one or two berths at a quay being only necessary for bulky imports like coal which were to be sent off at once by railway.

6. It is understood that the great bulk of the imports at Haifa of general cargo are not sent off at once by rail but go into merchants' warehouses at Haifa. But the advantage of providing berths for ships is not confined to imports which are to be sent off at once by rail. As compared with lighterage methods, the cost of double handling is saved and damage and losses by pilfering are lessened, even if the goods imported are to go into Haifa warehouses—and there are similar advantages in direct shipment from quay to vessel as regards exports, whether arriving by rail or from Haifa itself. A lighterage port may be desirable if quay berths for vessels *cannot* be provided; but where they can, a scheme which does not provide them can hardly, in Mr. Amery's opinion, be regarded as ideal. It is not clear whether more than two berths for steamers of fair size could be made by widening a further portion of the proposed eastern mole; but as Mr. Anthony (page 148 of his report*) proposes to build practically the same length of mole but to make it the same width throughout and says that it would provide berths for two ships, it would appear that the eastern mole cannot conveniently provide berthage accommodation for more than two vessels, though its total length would appear to be about 2,000 feet. If so, Mr. Amery would be glad to know whether the Consulting Engineers consider that more berths could be provided either (*a*) by running smaller and lighter built jetties —possibly screw pile jetties—out from the shore into the dredged area or (*b*) by pushing the reclamation out at the south-eastern end of it so that a deep-water quay could be formed along it. Either plan would, of course, increase the cost, but it would greatly increase the quay accommodation for vessels. It may be well to add that Mr. Palmer's scheme provided, at the north-west end of the harbour, for a large reclamation for a free zone and for a sea-wall to border it, and these will not be necessary now that the Treaty of Sévres, which provided for the free zone, has been replaced by the Treaty of Lausanne, which does not. The cost of making the free zone will, therefore, be saved and the spoil which would have been used for the reclamation there (presumably sand from the area to be dredged) will be available for widening the reclamation if suggestion (*b*) is adopted. It is obviously desirable to decide whether either of these schemes is feasible, as, if scheme (*b*) is to be adopted, it should be adopted from the start, so as to avoid the cost of two quay walls instead of one and to facilitate disposal of dredged sand.

7. Mr. Anthony proposes to extend the present jetty and not to build the long breakwater. The Consulting Engineers, with certain qualifications, recommend the extension of the jetty as Mr. Anthony proposes. If it is decided to proceed with Mr. Palmer's scheme, it might be well to start first with the eastern mole, if there is no engineering objection. For the long breakwater will take some years to build and will not be of much use in providing sheltered water inside it until it has got at least half-way, and it will provide no quay accommodation at all. But an extension of the mole will provide additional quay length at once, even though it is not a sheltered quay, and will so add to the berthage facilities in calm weather or with the wind from south or west. But before coming to a decision whether the extension of the existing mole should first be proceeded with, the Secretary of State would be glad to receive the Consulting Engineers' assurances that such a course would not be likely to lead to the silting-up of either of the angles between the mole and the shore.

I am, &c.,
J. E. SHUCKBURGH.

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* C. 10841/26: not printed.

C. 14572/26

No. 23.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

[*Answered by No.* 26.]

(No. 117.)

Downing Street, 25th January, 1927.

MY LORD,

WITH reference to previous correspondence regarding the proposals for the improvement of harbour facilities at Haifa, I have the honour to transmit to you, for your information and for any observations you may have to offer, a copy of a letter* which has been addressed by my direction to the Crown Agents for the Colonies, asking that the views of the Consulting Engineers may be obtained on certain points.

I have, &c.,
L. S. AMERY.

C. 44059/27 [No. 5]

No. 24.

CROWN AGENTS FOR THE COLONIES to COLONIAL OFFICE.

4, Millbank, Westminster, London, S.W.1.
9th February, 1927.

SIR,

I HAVE the honour to transmit, for the information of the Secretary of State, the enclosed copy of a report by Messrs. Rendel, Palmer and Tritton replying to the questions relative to the development of harbours in Palestine raised in your letters dated respectively 1st November, 1926,† and 25th January, 1927.*

2. It will be seen that in view of the objections stated in your letter to the development of Port Fuad, the Consulting Engineers fully agree that the only alternative is to develop the port of Haifa which they give reasons for believing could be made self-supporting with regard to capital cost and working expenses on the same lines as Takoradi Harbour on the Gold Coast.

3. As regards the possibilities of providing, under the scheme of construction recommended in their Report of 1923,‡ adequate berthage accommodation, they observe that the scheme as illustrated in that Report represents only the beginning of development. There would be no difficulty later on in dredging the whole of the enclosed area, shown on the plan annexed to the Report, to a depth of 30 feet and ultimately providing nearly 10,000 feet of vessel quayage along the east, west and south sides. The north side, which is formed by the main breakwater designed solely for protective purposes, is the only side which could not suitably be utilised for the construction of berths owing to the surf breaking over from outside.

4. An advantageous feature of this scheme is, they point out, that the berths need not be constructed at once; but *pari passu* with the development of traffic.

5. As regards Mr. Anthony's proposal to extend the wharfage by means of a screw pile or similar open work construction, the Consulting Engineers consider this quite practicable and it would not affect the cost of the larger scheme. It would however be impossible for vessels to remain alongside an unprotected structure of this kind except in perfectly calm weather.

I have, &c.,
W. A. F. WICKHART.
for Crown Agents.

Enclosure in No. 24.

2nd February, 1927.

SIRS,

Palestine Harbours.

WE beg to acknowledge receipt of the corrected figures of trade returns at the ports of Jaffa and Haifa, received with your letter of 4th January.

2. It is unfortunate that the returns do not include tonnage of goods, as well as value, because it is necessary to consider both figures in order to form a correct conclusion as to the progress of trade. Value alone is not a true index of growth,

* No. 22. † C. 19561/26: not printed ‡ 15356/23: not printed.

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because of fluctuation, sometimes extremely great, in prices. For instance, in 1920 the imports at Jaffa were 31,011 tons, valued at £1,629,139, or over £52 per ton, while in 1922, 103,209 tons of imports were valued at £2,252,314, which works out at under £22 per ton. The first-named year (1920) was, of course, at about the top of the post-war boom in prices.

3. Similarly, the orange export figures for 1925 do not give separately the quantities by sea and by rail. It is thought that the Railway Authorities must have records of export by rail, but, in any case, the total, of which some portion was probably sent by rail, of that year is still not as great as in the pre-war year 1913-14.

4. We beg to suggest that statistics might be kept of both imports and exports, showing not only the value but also the tonnage, and it would be extremely useful if the figures were divided into certain broad lines, indicating the character of the goods.

5. We mention this latter because the trade of Jaffa shows a suprisingly even expansion, excepting in 1925, in which year the increase in imports is nearly 60 per cent. upon those for the preceding year. We understand that the town of Tel-Aviv has grown enormously during the past few years, and it is possible that a considerable portion of the increasing figures year by year, especially in 1925, is due to imports of building material, and, if this proves to be the case, it may be possible to form some opinion as to whether the importation is likely, or not, to continue on the same expanding scale.

6. The statistics relating to Haifa do not make such a good showing. The fall in exports between 1922 and 1923 is comparatively enormous, and we think some effort should be made to explain such a heavy drop. In imports the decrease is not so alarming, because a great proportion of it is due to fall in prices. The last three years, 1923, 1924 and 1925, show a steady increase in value.

7. The Secretary of State's letter of the 25th ultimo* raises the question of a port for Palestine, and states that Port Fuad would not, for many reasons, be a satisfactory solution of the problem. Haifa, it is stated, is really the only alternative, and with this we are in the fullest agreement. The physical conditions and the geographical position of that place make its choice inevitable in the circumstances explained in that letter, and Mr. Palmer's Report of July, 1923,† confirms our opinion in this respect.

8 In paragraph 4 of the Secretary of State's letter questions are asked in regard to the proposal there outlined, and, in particular in regard to the small amount of berthage accommodation afforded for such a large capital outlay.

9. In the first place, it should be pointed out that the long breakwater shown on that plan, running easterly from the northern extremity of Mount Carmel at Ras el Kerum, is designed to afford protection against gales and bad weather, to the area enclosed, and although no quayage is contemplated along the inner side of this breakwater, there is ample room inside for very extensive developments if, and when required. The line of the breakwater follows the line of the northern extremity of Mount Carmel as it exists to-day, and nothing less in length on this alignment, which we consider to be the only natural line to follow, would admit to the harbour vessels of a draft of 30 or more feet. The purpose of this breakwater, as already stated, is solely protective, and in this respect it is similar to the main breakwater now approaching completion at Takoradi (Gold Coast), and also to the main breakwater of the neighbouring port of Beirut, a plan of which place is given in the 1923 Report.

10. Because of the breaking of waves over this outer protection, and the heavy spray which carries over the top of the breakwater, it is not practicable to place quays along the inner side, and this is common to all three ports Haifa, Takoradi, and Beirut, as well as to any other port similarly situated, of which we have knowledge. The real place for quays is *within* the harbour, and these can be provided, in the first instance, along the "lee" breakwater as at Takoradi and Beirut.

11. At Haifa the "lee" breakwater is, as stated by Mr. Amery, 2 000 feet in length, and although one or two berths only are mentioned in the 1923 Report, it is obvious that the whole of this length can be utilised for berthing vessels. Even this amount of quayage in no wise approaches the limit of possible development, for the whole of the southern side of the harbour, over a mile in length, can be made suitable and available for ocean-going vessels, and the 1923 Report should be taken as representing only a beginning of that development.

* No. 22. † 15356/23: not printed.

12. The area coloured dark blue on the plan accompanying that Report extends over less than one-half of the enclosed area, but there would be no difficulty whatever, later on, in making the whole area 6,000 feet long and about 1,200 feet wide (when fully developed), 30 or more feet deep, and bringing into use for steamers' berths not only the 2,000 feet on the inner side of the "lee" breakwater but also over 6,000 feet along the shore side; and with this advantage—that quayage can be provided, berth by berth, as, and when required.

13. The line of reclamation on the south side and west end was designed so that the dredging and filling would approximately equal one another, but an extension of the "area dredged" in a westerly direction would allow of the southern reclamation being extended to about the 20 feet contour line, outside of which a quay of jetty construction would allow of 30 feet draught vessels coming alongside. The reclamation at the west end of the enclosed area is the filling in of some 70 acres, useless as part of the harbour but probably valuable for factories or other buildings, if not as a free zone, with a frontage of 1,200 feet to the harbour which length could also if required be made available for ocean-going vessels. There will be ample material within the harbour to make this reclamation and to widen the southern side, by some 250 feet, to the 20 feet contour line, off which berths can be provided, as already described, which width would give ample room for Transit Sheds and Warehouse, with rail and road access along the whole frontage.

14. It will be seen, therefore, that the ultimate development of the 1923 proposal would give nearly 10,000 feet of vessel quayage, and we think this makes ample provision for the future, even when the possibility is considered of Haifa becoming the sea outlet for Mesopotamian, and even Persian, oil—a possibility which, in present circumstances, cannot be ignored.

15. We hope that this explanation will suffice to show that the harbour at Haifa has been conceived on broad lines, ample for possible requirements even in the distant future, but if any further explanation is desirable, we shall be glad to furnish any further information required.

16. In regard to the proposals contained in Mr. Anthony's Report, we can say at once that an extension of the wharfage by a screw pile or other similar construction is quite practicable, and not only so, but that it can be carried out without seriously affecting the cost of the larger scheme, and because it would be an open structure, without incurring serious risk of being silted in the same manner as the existing structure, which is a mole of solid construction. But vessels at such berths would be absolutely unprotected, and would have to leave, and put out to sea, whenever gales were experienced, and even when gales seemed to be coming, as they would be simply inviting disaster to attempt to ride out a gale at these quays.

17. The sea-borne trade of Palestine in 1925 reached in value approximately seven millions sterling, and, from the statistics furnished to us, it appears to be steadily increasing. The area of the hinterland is enormous, and although, in other respects, it may be many years before any appreciable sea-borne trade may be expected, it is possible, or even more than possible, that oil from 'Iraq, and perhaps Persia, will require an outlet into European waters, in order to save the long sea transport from the Persian Gulf and the charges imposed on vessels using the Suez Canal. For such a purpose, Haifa is eminently suitable, for, with the exception of the crossing of the Jordan Valley, there are no physical difficulties in laying pipe lines, and this cannot be said of any of the more northerly ports in the Mediterranean Sea.

18. For the reasons we have given, we are of opinion that the time has actually come for a harbour to serve Palestine and its hinterland, and we also believe that with a scale of charges which will still afford considerable saving to traders, as at Takoradi, the harbour will be self-supporting both in regard to capital charges and working expenses.

We are, &c.,
RENDEL, PALMER & TRITTON.

The Crown Agents for the Colonies.
4, Millbank,
Westminster, S.W.1.

C. 44059/26 [No. 7]

No. 25.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

[*Answered by No.* 28.]

(No. 220.)

Downing Street, 17th February, 1927.

MY LORD,

WITH reference to my despatch No. 117 of 25th January,* I have the honour to transmit to you for your consideration a copy of a letter† from the Crown Agents for the Colonies forwarding a report by Messrs. Rendel, Palmer and Tritton on the questions concerning the improvement of harbour facilities at Haifa which were raised in the letter from this Department of 25th January.‡

I have, &c.,
L. S. AMERY.

C. 44059/27 [No. 9]

No. 26.

THE ACTING HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 7th March, 1927.)

[*Answered by No.* 29.]

(No. 288.)

Government Offices, Jerusalem, 23rd February, 1927.

SIR,

I HAVE the honour to refer to your despatch No. 117 dated the 25th of January,* transmitting a copy of a letter addressed to the Crown Agents regarding the proposals for the improvement of harbour facilities at Haifa.

2. I would observe that the proposed scheme makes no provision for the berthing of large tourist ships and other vessels of deep draught, in the case of which I am advised that the landing and embarking of passengers is likely to be as difficult, if the scheme is executed in its present form, as it is now, especially since the tourist season practically coincides with the stormy months of the year.

3. I cannot express any considered opinion on Mr. Anthony's proposal to extend the existing jetty until detailed plans and estimates are available.

Mr. Palmer's scheme on the eastern side appears to provide for a light form of stone breakwater and berthage (for one ship) in solid masonry.

If the teehead recommended by Mr. Anthony were constructed to the end of a *stone* mole, it is possible that sand-banks would occur at the teehead and, further, that the existing wharf for lighters would be put out of use. The possibility of sand-banks forming, and the risk of siltage, might be considerably reduced if the extension of the existing jetty were of steel-piled construction: but a steel-piled construction does not appear to form any part of Mr. Palmer's scheme.

I have, &c.,
G. S. SYMES,
for High Commissioner.

C. 44059/27 [No. 10A]

No. 27.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Confidential.)

Downing Street, 8th March, 1927.

MY LORD,

I HAVE the honour to enclose a copy of a letter§ which I caused to be addressed to the Secretary of the Committee of Imperial Defence, asking for the advice of the Committee on the relative merits, from the strategical point of view, of the proposal to develop the port of Haifa and the proposal to base the oversea trade of Palestine on Port Fuad.

2. The Committee has now reported: "That, from the point of view of Imperial Defence, it is preferable that Haifa should be developed as a port, and the Sinai Railway with its present terminus at Kantara should be retained, rather than that the terminus should be moved to Ismailia or Port Fuad."

I have, &c.,
L. S. AMERY.

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* No. 23. † No. 21. ‡ No. 22. § No. 21.

C. 44059/27 [No. 13]

No. 28.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 21st March, 1927.)

[*Answered by No.* 30.]

(Confidential.)

SIR, Government Offices, Jerusalem, 11th March, 1927.

I HAVE the honour to acknowledge the receipt of your despatch No. 220 of the 17th of February* forwarding a report by Messrs. Rendel, Palmer and Tritton concerning the improvement of harbour facilities at Haifa.

2. I have discussed the report in Executive Council and have decided to request you to arrange for an Engineer to be sent out to prepare detailed plans and estimates of the work to be undertaken.

3. Every endeavour will be made to obtain, in advance of his arrival, the statistics of the tonnage of exports and imports at Haifa (and also at Jaffa) to which your Confidential despatch of the 12th of February† refers.

I have, &c.,
PLUMER, F.M.,
High Commissioner.

C. 44059/27 [No. 10]

No. 29.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

[*Answered by No.* 33.]

(No. 363.)

MY LORD, Downing Street, 23rd March, 1927.

I HAVE the honour to acknowledge the receipt of Your Lordship's despatch No. 288 of the 23rd of February‡ regarding the proposals for the improvement of harbour facilities at Haifa.

2. As regards the second paragraph of that despatch, I am asking the Crown Agents to obtain from the Consulting Engineers an estimate of the additional cost of dredging an area inside the harbour to enable vessels drawing up to 33 feet to enter the harbour and anchor inside it, though not to berth alongside a quay. I will communicate with you again on this point when I receive the Consulting Engineers' reply.

3. You will have now received the report of Messrs. Rendel, Palmer and Tritton dated 2nd February, of which a copy was forwarded under cover of my despatch No. 220 of the 17th of February.* I have now had an opportunity of examining and considering that report. You will no doubt have observed that, although in their original report the Consulting Engineers only provided for one or two ships' berths along the eastern mole, they now report that the whole of the length of that mole, i.e., 2,000 feet, can be made capable of berthing ships alongside, and that the whole of the southern side of the proposed harbour, which is over a mile in length, can easily be made into berths for ocean-going steamers as and when required.

4. I consider that the scheme put forward by the Consulting Engineers should be accepted and that a decision should now be taken to proceed with it. I shall be glad to learn that you concur in this view and to be furnished with your advice on the question whether the eastern mole should, from the start, be so constructed as to provide berthing facilities on its west side along its whole length. In my opinion it is advisable that ample quay space should be provided from the start.

5. As regards the provision of quay accommodation on the southern side of the harbour, I consider that, while the matter as a whole is not one on which an early decision is essential, it is very desirable that, before the lay-out of the space between the land and the proposed new quay-wall is settled, a decision should, so far as is possible, be taken in regard to the silting of the new quay-wall and the utilization, with a view to future development, of the space between it and the shore. You will no doubt consider these questions in conjunction with your technical advisers.

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* No. 25. † C. 44059/27 [No 6] not printed. ‡ No. 26.

6. As regards paragraph 3 of your despatch under reply, you will see from the sixteenth paragraph of the Consulting Engineers' Report of the 2nd February (the paragraph beginning with the words "in regard to the proposals contained in Mr. Anthony's Report") that they are of the opinion that, if those proposals were to be adopted and the existing jetty merely extended as he proposed, an extension on screw piles would be quite practicable. If, however, it is decided, as I consider it should be, to proceed with the scheme for a large harbour, it would appear preferable to build the eastern mole of stone work since this would give better protection to the harbour. Moreover, the risk of silting up inside the harbour would, I presume, then be negligible as the drift of sand would be checked by the big outer breakwater.

7. I now come to the question of the alternative methods by which the harbour could be constructed. In this connexion I would refer to paragraph 5 of my Confidential despatch of the 5th of February, 1926* (which need no longer be regarded as confidential). Among the enclosures to that despatch there was a letter from the Consulting Engineers recommending that the work should be carried out by contractors subject to the supervision of Consulting Engineers. I agree that in certain circumstances this method of construction is preferable, but I consider that in the present case it will be best if the work is carried out departmentally. In arriving at this conclusion I have been influenced by the considerations set out below.

(*a*) As you are aware I have given in Parliament a pledge, which is embodied in the Palestine and East Africa Loans (Guarantee) Act, 1926, that I will satisfy myself that fair conditions of labour are observed in the execution of all works carried out under any loan raised in pursuance of that Act. If the work were carried out by contract it would probably be difficult to frame a clause for insertion in the contract which would satisfy those to whom the pledge was given and yet would not have the effect of unduly increasing the amounts of the tenders submitted. A private firm submitting a tender for the work would almost certainly have to allow in its tender a substantial amount for contingencies arising out of the "fair wages" clause of the contract, of the precise effect of which no definite indication could be given.

(*b*) It should be possible to begin the work of construction more quickly if it is undertaken departmentally.

(*c*) The construction of the harbour, shutting in as it will the town of Haifa, will probably raise a large number of questions, e.g., the provision of storm water and sewerage outlets, which a contractor cannot, and the Palestine Government will have to, settle. The settlement of such questions would probably be facilitated if the organization responsible for the construction of the harbour is a Government organization and not a firm of contractors.

(*d*) In the event of financial or technical considerations rendering it necessary to slow down or suspend work temporarily on the harbour, this could be done at much less expense if the work were being carried out by the Government than if the Government had entered into a contract for the complete work.

8. As you are aware, there are two possible methods of departmental construction; either (*a*) by the Department of Public Works, or (*b*) by a special staff, with a Resident Engineer in charge, acting under the direction of Consulting Engineers. I consider that in the circumstances of Palestine, where there is only a small Department of Public Works with a limited experience of harbour works construction, it will be best to adopt the latter method. I hope in the course of a few days to send you a memorandum setting out the details of this method of construction, which has been employed with success in the case of, among others, the Colombo and Lagos harbour works, and I shall be glad if, after you have had an opportunity of considering the memorandum, you will inform me whether you agree to the adoption of this method of construction. If so, I presume that Messrs. Rendel, Palmer and Tritton should be employed as Consulting Engineers for the works as the scheme to be carried out is one which they have proposed. The first step would, no doubt, be to engage and send out an Engineer and a small staff to prepare complete plans and estimates and to make preliminary arrangements to enable the actual construction to be started as soon as the final plans and estimates had been submitted by the Consulting Engineers and approved.

I have, &c.,
L. S. AMERY.

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* No. 3.

C. 44059/27 [No. 14]

No. 30.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(No. 393.)

MY LORD, Downing Street, 30th March, 1927.

I HAVE the honour to acknowledge the receipt of Your Lordship's despatch of 11th March* (which so far as I am concerned need not be regarded as Confidential) on the subject of the improvement of harbour facilities at Haifa and to invite reference to my despatch No. 363 of 23rd March.†

2. As soon as I learn that you concur in the proposals made in my despatch, I will cause the Crown Agents to be authorized to engage and send out an Engineer to prepare detailed plans and estimates for the harbour works.

I have, &c.,
L. S. AMERY.

C. 44059/27 [No. 15]

No. 31.

COLONIAL OFFICE to CROWN AGENTS FOR THE COLONIES.

GENTLEMEN, Downing Street, 30th March, 1927.

WITH reference to the letter from this Department of 24th March,‡ I am directed by Mr. Secretary Amery to request you to obtain from Messrs. Rendel, Palmer and Tritton an approximate estimate of the additional cost of dredging an area inside Haifa Harbour to enable vessels drawing up to 33 feet to enter that harbour (though not to berth alongside a quay) and of making certain that the entrance to the harbour will be adequate for such large ships in all weathers.

2. The Consulting Engineers' original scheme provided for dredging to a depth of 30 feet only inside the harbour, and, as Lord Plumer points out, this would not allow some of the largest steamers which occasionally visit Haifa to enter the harbour.

3. Copies of further correspondence§ with the High Commissioner are enclosed for your information.

I am, &c.,
A. J. HARDING.

C. 44059/27 [No. 17]

No. 32.

CROWN AGENTS FOR THE COLONIES to COLONIAL OFFICE.

[*Answered by No.* 34.]

4, Millbank, Westminster, London, S.W.1.

SIR, 13th April, 1927.

I HAVE the honour to transmit, for the information and consideration of the Secretary of State, the enclosed copy of a letter from Messrs. Rendel, Palmer and Tritton, dealing with the question raised in your letter of 30th March,‖ of dredging an area in the proposed new harbour at Haifa, to a depth which would enable vessels drawing 33 feet to enter in all weathers.

2. The Consulting Engineers explain that this proposal would appreciably increase the cost of the project as it would mean not only additional dredging but also an extension of the breakwaters.

3. They will be happy to prepare an estimate of the additional cost involved, as desired by the Secretary of State, but with the information at present at their disposal the figure would only be very approximate. They therefore suggest that it might be advisable to proceed with the surveys and collection of the data necessary for the preparation of a definite scheme, during the progress of which a fairly reliable estimate of the additional cost of providing accommodation for large vessels could be made with comparative ease.

4. We accordingly await the further instructions of the Secretary of State in the matter.

I have, &c.,
W. A. F. WICKHART,
For Crown Agents.

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* No. 28. † No. 29. ‡ C. 44059/27 [No. 11]: not printed. § Nos. 28 and 30. ‖ No. 31.

Enclosure in No. 32.

12-14, Dartmouth Street, Westminster, London, S.W.1.

GENTLEMEN, 8th April, 1927.

Haifa Harbour.

WE beg to acknowledge receipt of your letter E.427/1 of 5th instant and the enclosures thereto.

The question of the admission into the proposed harbour in all weathers of large ships drawing 33 feet of water not only affects the dredging required to provide a sufficient area within the breakwaters to accommodate vessels of this size but also means an extension of the breakwaters themselves practically to the 36-feet contour line shown on the plan accompanying Mr. Palmer's Report of July, 1923. This will mean an appreciable increase in the cost, because the whole of the extensions required is in deep water, that is to say, from 30 to 35 feet in depth. To take vessels of 33 feet, it is necessary to have a depth of about 35 feet, and while the dredging will obviously be increased in ratio to the area of greater depth, the extension of the breakwater will be in largely increasing ratio, as will be seen from the enclosed sketch,* showing a breakwater for 30 feet and the addition for 35 feet.

We will be very glad to prepare an estimate showing what the additional expenditure will mean, but as it can only be a very approximate figure, we suggest that it might be advisable to proceed with the surveys and other data necessary for the preparation of a definite scheme, during the progress of which it will be comparatively easy to give fairly reliable figures of the additional cost involved in providing for the admission of 33-feet vessels, and of an area within the harbour in which such vessels can be anchored. It will then be possible to accurately gauge the difference in cost and to come to a decision as to whether the advantages of greater depth justify the additional capital expenditure.

Will you kindly let us know whether you wish us to work out an approximate figure at once, or to submit later alternative figures for both proposals.

We are, &c.,
RENDEL, PALMER AND TRITTON.

C. 44059/27 [No. 20]

No. 33.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 2nd May, 1927.)

[*Answered by No.* 35.]

(No. 603.)

SIR, Government Offices, Jerusalem, 19th April, 1927.

I HAVE the honour to refer to your despatch No. 363 of the 23rd of March† regarding the proposals for the improvement of harbour facilities at Haifa and to express my concurrence in your view that the scheme put forward by the Consulting Engineer should be accepted and proceeded with.

2. I consider it desirable that the berthing facilities provided should be as ample as the funds available will permit.

3. I agree that it is preferable that the work should be carried out departmentally; and I recommend, therefore, that it be undertaken, in accordance with the system (described in the enclosure to your despatch No. 403 of the 31st March‡) of Government construction, by a Resident Engineer with a special staff, under the technical instructions of a Consulting Engineer in the United Kingdom.

4. I agree also that Messrs. Rendel, Palmer and Tritton should be employed as Consulting Engineers for the works.

I have, &c.,
PLUMER, F.M.,
High Commissioner.

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* Not reproduced. † No. 29. ‡ C. 49086/27 [No. 2]: not printed.

C. 44059/27 [No. 25]

No. 34.

COLONIAL OFFICE to CROWN AGENTS FOR THE COLONIES.

[*Answered by No.* 36.]

GENTLEMEN, Downing Street, 15th June, 1927.

I AM directed by Mr. Secretary Amery to refer to the letter from this Department, numbered as above, of the 24th of March,* regarding the scheme for constructing an enclosed harbour at Haifa, and to authorize you to inform Messrs. Rendel, Palmer and Tritton as follows:—

(*a*) that it has been decided to proceed with the construction of a harbour at Haifa in accordance with the general scheme outlined in Mr. Palmer's report† of July, 1923, as modified in recent correspondence;

(*b*) that it is proposed that they should be appointed as Consulting Engineers for these works; and

(*c*) that it has been decided that the works should be carried out by a special staff with a Resident Engineer in charge, acting under their direction as Consulting Engineers,

2. As regards the question of the remuneration to be paid to Messrs. Rendel, Palmer and Tritton for their services as Consulting Engineers, I am to refer to the last two paragraphs of the letter from this Department of the 19th of August, 1922.‡ It will be seen from that letter that Messrs. Rendel, Palmer and Tritton gave Mr. Churchill (who was then Secretary of State) to understand that they would be satisfied with a lower fee than a sum amounting to 5 per cent. on the total cost of construction and that they would be prepared to accept a charge based upon a sliding scale dependent on the total cost. You are accordingly authorized to negotiate an agreement with Messrs. Rendel, Palmer and Tritton on that basis. The fee of 4,000 guineas which was paid for the report submitted by Mr. Palmer in 1923 should be merged in the charge made by the firm for their work as Consulting Engineers for the harbour works, and that charge should exclude all payments in respect of any future visits which it may be necessary for the Consulting Engineers to make to Haifa, in order to inspect the progress of the works. Payments for such visits will be arranged separately on each occasion.

3. I am to request that you will in due course submit to Mr. Amery for approval the terms which you negotiate with Messrs. Rendel, Palmer and Tritton, and that you will at the same time advise him whether those terms are reasonable, having regard to the payments made to Consulting Engineers for similar works undertaken in the Colonies.

4. Provided that a satisfactory agreement is concluded with Messrs. Rendel, Palmer and Tritton for their appointment as the Consulting Engineers for the proposed works, and that the agreement is approved by the Secretary of State, I am to authorize you, in consultation with that firm, to proceed with the selection of an Engineer, whose terms of appointment should be subject to the approval of the Secretary of State and who should proceed to Palestine at an early date in order that complete plans and estimates of the cost of the works contemplated may be drawn up. In this connexion, I am to state that Mr. Amery has decided that the question, which formed the subject of your letter of the 13th of April,§ as to whether estimates should also be prepared of the cost of making the harbour capable of admitting very large ocean liners in all weathers, should be left for discussion by the Engineer with the authorities in Palesine. Mr. Amery is informing the Officer Administering the Government in a despatch‖ of which a copy is enclosed for your information, that, if he wishes such an estimate to be prepared, he will no doubt have the necessary instructions issued to the Engineer on his arrival.

I am, &c.,
J. E. SHUCKBURGH.

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* C. 44059/27 [No. 11]: not printed. † 45356/23: not printed. ‡ 25774/22: not printed.
§ No. 32. ‖ No. 35.

C. 44059/27 [No. 26]

No. 35.

THE SECRETARY OF STATE to THE OFFICER ADMINISTERING THE GOVERNMENT.

[*Answered by No.* 47.]

(No. 770.)

SIR, Downing Street, 15th June, 1927.

WITH reference to Lord Plumer's despatch No. 603 of the 19th of April,* on the subject of the proposals for constructing an enclosed harbour at Haifa, I have the honour to transmit to you the accompanying copy of a letter† which has been addressed to the Crown Agents authorizing them to negotiate with Messrs. Rendel, Palmer and Tritton with a view to their appointment as Consulting Engineers for the works.

2. I would also refer to paragraph 2 of my despatch No. 363 of the 23rd of March,‡ regarding the proposal that an area in the proposed harbour should be dredged to a depth which would enable vessels drawing 33 feet to enter in all weathers. In this connexion I enclose a copy of a letter§ from the Crown Agents, together with the enclosures thereto, from which you will observe that Messrs. Rendel, Palmer and Tritton have suggested that, when the final estimates and plans for the proposed harbour scheme are being prepared, an estimate should be drawn up showing the additional cost of providing accommodation for large vessels. From the terms of the letter from Messrs. Rendel, Palmer and Tritton dated the 8th of April,‖ it would appear that the cost of providing an area inside the proposed harbour to the required depth would be high, involving as it would, not only considerable dredging, but extensions of the breakwaters, but I am content to leave it to you to decide whether or not the Engineer who will be visiting Palestine for the purpose of drawing up the general plans, specifications and estimates for the scheme of harbour works contemplated, should also be instructed to prepare an estimate of the cost of providing this additional accommodation.

3. You will observe that Messrs. Rendel, Palmer and Tritton, in their letter of 8th of April, state that, in order to make the harbour capable of accommodating vessels drawing 33 feet of water, the breakwaters would have to be extended practically to the 36-feet contour line shown on the plan accompanying Mr. Palmer's report of July, 1923.¶ The 36-feet contour line shown on that plan is the outermost but one, and is marked —·—·—·—. The extension of the breakwaters almost to this contour line would apparently involve an addition of more than 50 per cent. to the length of the proposed eastern mole and a considerable increase in the length of the main breakwater.

I have, &c.,
L. S. AMERY.

C. 44059/27 [No. 28]

No. 36.

CROWN AGENTS FOR THE COLONIES to COLONIAL OFFICE.

[*Answered by No.* 38.]

4, Millbank, Westminster, London, S.W.1,
30th June, 1927.

SIR,

I HAVE the honour to acknowledge the receipt of your letter of the 15th June** wherein you requested us to negotiate an agreement with Messrs. Rendel, Palmer and Tritton regarding their remuneration for the construction of a harbour at Haifa.

2. We enclose a copy of a letter dated 18th June which we addressed to the firm and a copy of their reply dated 27th June. It will be observed that the Consulting Engineers state they are prepared to undertake the work for a fee of 5 per cent. on the first half million of expenditure and 4 per cent. on the cost in excess of that sum.

3. For harbour works in a number of Colonies during recent years we have paid to Messrs. Coode, Fitzmaurice, Wilson and Mitchell by way of remuneration 3½ per

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* No. 33. † No. 34. ‡ No. 29. § No. 32. ‖ Enclosure in No. 32. ¶ 45356/23: not printed. ** No. 34.

cent. of the cost plus the firm's preliminary expenses. Similarly Messrs. Rendel, Palmer and Tritton are receiving 3½ per cent. on the contract amount for harbour works at Takoradi. In his report of July, 1923,* Mr. Palmer stated that an approximate estimate had been prepared of the cost of his proposals at Haifa and it showed that the work could be carried out at a cost well within one million pounds. Assuming the final cost of the work is in the neighbourhood of a million pounds the remuneration payable will average 4½ per cent. on this amount. It will be seen from the foregoing that the remuneration proposed by the firm is somewhat higher than that paid for similar work in other Colonies, but when we discussed this matter with Mr. Palmer he told us that he could not quote a lower fee than that which he was receiving from the Port of London Authority for the carrying out of works in London as referred to in paragraph 2 of the firm's letter. In these circumstances we consider the proposed terms are reasonable.

4. You will doubtless advise us if the terms proposed are approved by the Secretary of State in order that we can instruct the firm to proceed with the selection of an engineer to proceed to Palestine at an early date as suggested in paragraph 4 of your letter under acknowledgment.

I have, &c.,
W. A. F. WICKHART,
for Crown Agents.

Enclosure 1 in No. 36.

CROWN AGENTS TO MESSRS. RENDEL, PALMER AND TRITTON.

18th June, 1927.

GENTLEMEN,

I HAVE to inform you that the Secretary of State for the Colonies has now decided to proceed with the construction of a harbour at Haifa in accordance with the general scheme outlined in Mr. Palmer's report of July, 1923, as modified in recent correspondence.

2. It is proposed that you should be appointed as Consulting Engineers for the work, provided suitable arrangements can be agreed to with regard to remuneration.

3. The works will be carried out by a special staff with a Resident Engineer in charge acting under your direction. The Resident Engineer and staff sent out from this country would be selected by yourself but would enter into an agreement with us, acting on behalf of the Palestine Government, for such period and on such terms as may be arranged. The staff will be for all purposes of discipline and action the servants of the Palestine Government but will be responsible to yourselves for the technical conduct of the work and its efficient execution. Their salaries will be payable by the Palestine Government and all business connected with the preparation of agreements, engagement of passages, etc., will be dealt with by us as Agents to the Palestine Government.

4. With regard to the question of remuneration the Secretary of State understands that you gave Mr. Churchill (who was then Secretary of State) to understand that you would be satisfied with a lower fee than a sum amounting to 5 per cent. of the total cost of construction, as quoted in your letter of the 8th August, 1922, to Sir James Stevenson, and that you would be prepared to accept a charge based upon a sliding scale dependent on the total cost. It was further understood that the fee of 4,000 guineas, which was paid for the report submitted by Mr. Palmer in 1923, would be merged in the charge made for the execution of the works. It is suggested that your percentage charge should be exclusive of all payments in respect of any future visits which it may be necessary for you to make to Haifa in order to inspect the progress of the works. Payments for such visits will be arranged separately on each occasion. We shall be pleased to discuss this question with you if you would see us on the matter.

5. Provided that a satisfactory agreement is reached with regard to the matter dealt with in the foregoing paragraph it is important that an Engineer should proceed to Palestine at an early date in order that complete plans and estimates of the cost of the works contemplated may be drawn up. In this connexion the Secretary of State has decided that the question as to whether estimates should also be prepared

* 45356/23: not printed.

of the cost of making the harbour capable of admitting very large ocean liners in all weathers should be left for discussion by the Engineer with the Authorities in Palestine. The Secretary of State has informed the Officer Administering the Government that if he wishes such an estimate to be prepared he will no doubt have the necessary instructions issued to the Engineer on his arrival.

I am, &c.,
for Crown Agents.

Enclosure 2 in No. 36.

MESSRS. RENDEL, PALMER AND TRITTON TO CROWN AGENTS.

12-14, Dartmouth Street, Westminster, London, S.W.1,
27th June, 1927.

GENTLEMEN,

Haifa Harbour.

WE beg to acknowledge receipt of your letter E.427/1 of the 18th instant, intimating that it has been decided to proceed with the construction of a harbour at Haifa on the lines indicated in Mr. Palmer's report of July, 1923, modified as required.

2. In regard to our carrying out the proposed works as your Consulting Engineers, we agree that the arrangement for the Resident Staff should be that described in the third paragraph of your letter, and suggest that the terms for our own services shall be the same as those recently agreed with the Port of London Authority for the carrying out of works in London aggregating in value nearly five millions sterling, viz., a payment of 5 per cent. on the first half million of expenditure and 4 per cent. on the cost in excess of that sum. This charge is to cover all inspection of material which can be carried out by our own staff, but any tests by specialists are to be paid for by the Colony. We agree also to the fee paid for the report of 1923 being merged in the total payment for our services, as calculated on this basis. It is understood that any future visits we may have to make, in order to inspect the progress of the works, will be separately paid for, as arranged, as, and when, the occasions arise.

3. We would be prepared to send out a small staff to Palestine, say, in September, to make the necessary surveys and borings for the preparation of the scheme, and, as discussed at our interview with you on the subject, the actual out-of-pocket cost of this staff and any equipment necessary, plus overhead charges, as certified by our Auditors, will be paid for as a separate item.

4. The question raised in paragraph 5 of your letter as to the desirability of preparing an alternative estimate for a harbour capable of accommodating very large ocean liners is one which we suggest might be deferred until the surveys, etc., referred to in the preceding paragraph are completed, when we could visit the site and discuss the matter fully with the Authorities in Palestine. We think this can be better done when the result of the survey work will afford some indication of the probable extra expenditure involved, than it can be at any earlier stage.

5. We shall be much obliged if you can give us early instructions in the matter, as it will take some little time to arrange for boring equipment, etc.

We are, &c.,
RENDEL, PALMER AND TRITTON.

C. 44059/27 [No. 30]

No. 37.

SIR ROBERT McALPINE AND SONS to COLONIAL OFFICE.

[*Answered by No.* 44.]

SIR,

50, Pall Mall, London, S.W.1, 11th July, 1927.

FURTHER to our meeting to-day with Lord Plumer and Mr. Palmer, we would now confirm that we are prepared to undertake the construction of the above harbour under the same contract conditions and schedule of prices as that of Takoradi Harbour. As you will remember, the contract for Takoradi Harbour was awarded to us in competition with other Contractors.

As the Takoradi Breakwaters will be practically completed within one month from now it will be convenient, if you so desire, to commence the transfer of men and plant early in September. Under these conditions Haifa Harbour could be commenced at least a year earlier than would be possible under other conditions and the saving in time during construction by using the plant, trained staff and men with the experience of similar works at Takoradi, would result in a further even more substantial saving in time compared with any other organization without that experience. In addition to Takoradi Harbour we have over 30 other contracts in operation so that we have a practically inexhaustible reservoir of trained and experienced leaders of men to select from to handle and instruct local labour.

We have, &c.,
SIR ROBT. McALPINE AND SONS.

C. 44059/27 [No. 35]

No. 38.

COLONIAL OFFICE to CROWN AGENTS FOR THE COLONIES.

[*Answered by No.* 41.]

GENTLEMEN, Downing Street, 28th July, 1927.

I AM directed to refer to your letter of the 30th June,* relative to the arrangements with regard to the proposed harbour works at Haifa in Palestine and to transmit to you the accompanying copy of a letter† which has been received from Sir Robert McAlpine and Sons confirming an offer which has been made by that firm to undertake the construction of these works.

2. The Secretary of State is disposed to the view that, notwithstanding the earlier decision, conveyed to you in the letter from this Department of the 15th June,‡ numbered as above, that these works should be undertaken departmentally, the offer made by Messrs. McAlpine deserves careful consideration. I am accordingly to request that you will approach Messrs. Rendel, Palmer and Tritton and will invite an expression of their views on the statement made in the letter from Messrs. McAlpine to the effect that, if they were given the work, the construction could be commenced at least a year earlier than would otherwise be possible. The Consulting Engineers should at the same time be asked for any observations which they may have to offer on the enclosed letter and for advice as to the method of procedure to be adopted in the event of its being decided that Messrs. McAlpine should be given the work, particularly as regards the question whether the first step would be for an engineer to be sent out to Palestine to prepare detailed plans and estimates.

3. The Secretary of State would also be glad to receive any observations which you may care to offer on the enclosed letter from Messrs. McAlpine.

4. As regards the question of the remuneration to be paid to Messrs. Rendel, Palmer and Tritton for their services as Consulting Engineers, the Secretary of State notes that the fee asked for amounts to 4½ per cent. on the cost of the work if, as is at present estimated to be the case, that reaches the sum of £1,000,000. The Secretary of State considers that, if the work is undertaken on the system adopted at Takoradi, as is proposed by Messrs. McAlpine, the Consulting Engineers' fee should be 3½ per cent. on the contract price, which was the basis of their fee for the Takoradi works.

I am, &c.,
J. E. SHUCKBURGH.

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* No. 36. † No. 37. ‡ No. 34.

C. 44059/27 [No. 36]

No. 39.

COLONIAL OFFICE to CROWN AGENTS FOR THE COLONIES.

[*Answered by No.* 40.]

GENTLEMEN, Downing Street, 28th July, 1927.

I AM directed to refer to the letter from this Department of the 15th June,* relative to the proposed harbour works at Haifa in Palestine, and to transmit to you the accompanying copy of a letter from Sir Robert Waley Cohen, inquiring whether the scheme contemplated will afford facilities for oil tankers to come within the harbour and to discharge through pipe-lines laid along the quay.

2. I am to request that you will obtain the observations of the Consulting Engineers on the enclosed letter.

I am, &c.,
J. E. SHUCKBURGH.

Enclosure in No. 39.

St. Helens Court, Crosby Square, London, E.C.3.

DEAR MR. WILLS, 24th June, 1927.

WITH reference to our previous correspondence on the subject of the Haifa harbour scheme, we are now, as you know, ready to go ahead with our bulk installation and we are in treaty for the purchase of a large site in the neighbourhood of the proposed harbour.

I hope that, in making the harbour, due regard will be had to the needs of our installation, because with our large trade in Syria and Palestine we can bring at once and gradually develop a very large business for the harbour, and I think therefore it is important that facilities should be provided whereby we can bring our tankers within the harbour and discharge through pipe-lines to be laid along the quay to our installation a little way off. This is the only feasible way of discharging satisfactorily and economically, as otherwise, owing to the exposed condition of the Bay, a prohibitive expense would arise from frequent delays to large tankers lying outside the harbour.

We should like to start building the installation at once if we could have an assurance that this will be arranged. I wonder whether you can do anything to secure this for us? What we should like would be to be assured that arrangements will be made for our tankers lying in the harbour to discharge their cargoes through a pipe-line to be connected with the installation, and that meanwhile, pending the completion of the harbour, some temporary arrangements for the discharge of the oil can be fixed up. Any assistance you can give us will be very much appreciated and it will undoubtedly greatly benefit the profitability of the harbour scheme itself.

Yours sincerely,
R. W. COHEN.

J. J. Wills, Esq.,
Petroleum Department,
Board of Trade,
Great George Street, S.W.1.

C. 44059/27 [No. 45]

No. 40.

CROWN AGENTS FOR THE COLONIES to COLONIAL OFFICE.

[*Answered by No.* 50.]

SIR, 4, Millbank, Westminster, London, S.W. 1, 8th August, 1927.

I HAVE the honour to refer to your letter of the 28th July† transmitting copy of a letter from Sir Robert Waley Cohen to Mr. Wills of the Board of Trade inquiring whether the proposed harbour works at Haifa will afford facilities for oil tankers to come within the harbour and to discharge through pipe-lines laid along the quay.

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* No. 34. † No. 39.

2. We forwarded a copy of Sir Robert Waley Cohen's letter to Messrs. Rendel, Palmer and Tritton who inform us that they have considered the inquiry in the light of the data at present available. They anticipate that it should prove quite possible to arrange for the required accommodation although they are not yet in a position to make a more definite statement pending fuller investigation.

I have, &c.,
W. A. F. WICKHART,
For Crown Agents.

C. 44059/27 [No. 46]

No. 41.

CROWN AGENTS FOR THE COLONIES to COLONIAL OFFICE.

[*Answered by No.* 43.]

4, Millbank, Westminster, London, S.W.1,
9th August, 1927.

SIR,

I HAVE the honour to refer to your letters of the 28th* and 29th July† transmitting copies of correspondence with Sir Robert McAlpine and Sons regarding the construction of proposed harbour works at Haifa in Palestine.

2. Mr. Palmer, who, it will be remembered, visited Haifa in 1923, is at present in Canada and we have been unable to discuss the proposals with him. We have, however, discussed the matter with Sir Seymour Tritton and we now enclose a copy of a letter dated 5th August which the Consulting Engineers have addressed to us, from which it will be seen that they are communicating with Mr. Palmer by telegraph and will doubtless address a further letter to us when they receive a reply. Communication with Mr. Palmer is, of course, in the circumstances absolutely necessary.

3. In their letter the Consulting Engineers express the opinion that the question of plant transfer is not of vital urgency for at least several weeks, as it is unlikely that the breakwaters at Takoradi will be substantially completed before the end of next month and further work will still be necessary on the breakwaters after that date. We are inclined to the view that too much importance can be placed on the early transfer of plant as it is unlikely that any plant at Takoradi could be shipped direct to Haifa and it will be necessary, therefore, to forward it to England for reshipment.

4. There are obvious dangers in placing important contracts before an adequate investigation of the conditions of the site have been made and before proper data is available, and for this reason we commend the Consulting Engineers' proposal that a preliminary study of the harbour scheme should be undertaken at once upon the groundwork of such maps and charts as are available. We think also that preliminary preparations should be made for the despatch of a survey party to the site in September.

5. It will be observed that the Consulting Engineers point out that this proposal will not commit the Government to any heavy costs even though the question of their remuneration remains unsettled.

I have, &c.,
N. E. O. WILLIS,
for Crown Agents

Enclosure in No. 41.

FROM MESSRS. RENDEL, PALMER AND TRITTON TO CROWN AGENTS.

12-14, Dartmouth Street, Westminster, S.W.1,
5th August, 1927.

GENTLEMEN,

Haifa Harbour.

IN response to your letters of 29th ultimo and 2nd instant, enclosing certain correspondence, and following upon our meeting with Sir Henry Lambert, Colonel Carmichael and Mr. Spiller on the 3rd instant, we are sending a cablegram to the Canadian Government for Mr. Palmer as under :—

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* No. 38. † C. 44059/27 [No. 40]: not printed

"Hon. C. A. Dunning, Railways and Canals, Ottawa, Canada. Please transmit to Mr. Frederick Palmer, Consulting Engineer, or cable us if impossible to communicate, message as follows: Offer by contractors to construct harbour in Eastern Mediterranean on same contract conditions and schedule as West African harbour and to send out in September to open quarry and arrange preliminary organization simultaneously with our survey and design has been submitted to Colonial Secretary who thinks offer deserves careful consideration and asks opinion on proposal especially concerning contractors expectation thereby to save one year in commencement of works. Crown Agents further inquire what procedure should be followed in event of acceptance and at their request we cable to inquire what you recommend. We suggest subject to your confirmation or correction that definite arrangement of any contract can without detriment await your return submitting as factors influencing decision firstly that interval allows preparation of data for negotiating rates for works not comparable with Africa, secondly that African progress precludes immediate release of plant since resident engineer only expects substantial completion of breakwaters towards end September. Colonial Office also suggest our remuneration same terms as for Africa if similar contract instead of higher percentage suggested and Crown Agents inquire would you agree. Sukkur."

It will be realized that particular names are avoided in this cablegram, owing to its unavoidable semi-publicity, as we do not know by what means (if any) it can be transmitted to Mr. Palmer at Hudson Bay. We should mention, however, that the Canadian Government arranged with Mr. Palmer that any communications addressed to him c/o Hon. C. A. Dunning, Minister of Railways and Canals, Ottawa, would be forwarded if possible to him, or arrangements made for the communications to reach him at the earliest moment either on his outward or return journey. We are uncertain whether it can reach him at all before his return to Ottawa at the end of August. We are posting to him there full copies of this correspondence.

We are unable to say definitely, without reference to Mr. Palmer, what transpired at his meeting on the 11th July with Lord Plumer and Sir Malcolm McAlpine. We find a record, however, that the meeting in question took place on the suggestion of Lord Plumer, who had written as under on 29th June to Sir Malcolm McAlpine, who passed the letter to Mr. Palmer.

"Mr. Amery has written to me after seeing you and Mr. Palmer in connexion with the special new machinery which has been used for the Takoradi Harbour and which might be utilized in connexion with the construction of the harbour at Haifa. Would it be possible for me to see you and Mr. Palmer together either at your office or his? Could you arrange a meeting?"

Sir Malcolm's letter of 11th July,* following the meeting, was also seen by Mr. Palmer before he left.

In the light of these facts, it appears that Mr. Palmer may very likely endorse the suggestion that the Haifa harbour should be entrusted to Messrs. McAlpine on substantially the same basis as Takoradi Harbour, if early commencement and speed of construction be so essential that the ordinary procedure of competitive tendering must be foregone.

In view of the fact, however, that although the main breakwater construction will be very similar, yet for some classes of work likely to be required at Haifa there are no corresponding works at Takoradi, additional rates would have to be determined on some equitable basis.

As a practical suggestion, we submit that time might be gained if you authorize us to set some of our staff to work upon preliminary study of the harbour scheme in greater detail than has yet been done, upon the groundwork of such maps and charts as are available, prior to the despatch of a survey party to the site in September. This would result in more ample particulars being available upon which to base any contract arrangement which might then be entered into.

Upon the question of our remuneration generally we are referring to Mr. Palmer, but in the meantime, the authorization of such preliminary study as we have suggested above, although of great utility in saving delay and preparing a better ground for discussion and settlement, would not commit the Government to any heavy costs.

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* No. 37.

The question of plant transfer does not appear of vital urgency for at least several weeks. The Resident Engineer at Takoradi, in a report just received, states:—

"It will probably be towards the end of September, 1927, till both breakwaters are substantially completed."

Even after substantial completion of the breakwaters there is further work to be done upon them, as well as reclamation and other works, for some time to come. It is, therefore, more than doubtful whether any appreciable quantity of plant of a kind that would be useful at Haifa can be released for shipment before a date which is at least sufficiently far ahead to enable a definite settlement of the terms of any contract to be given due consideration on Mr. Palmer's return from Canada early in September.

In the meantime we will await hearing from you concerning the fuller tentative investigation of the project and collection of data which we have suggested.

Yours faithfully,
RENDEL, PALMER AND TRITTON.

C. 44059/27 [No. 47]

No. 42.

CROWN AGENTS FOR THE COLONIES to COLONIAL OFFICE.

[*Answered by No.* 43.]

SIR, 4, Millbank, Westminster, London, S.W.1, 10th August, 1927.

IN continuation of our letter of yesterday* regarding the construction of proposed harbour works at Haifa in Palestine, we now enclose a copy of a further letter dated 10th August which we have received from Messrs. Rendel, Palmer and Tritton.

2. It will be seen from the Consulting Engineers' letter that they have received a cablegram from Mr. Palmer recommending that a decision with regard to the offer of Sir Robert McAlpine and Sons to construct the proposed harbour works on the same terms and schedule rates as Takoradi should be deferred pending his return early next month. We concur in this recommendation.

I have, &c.,
W. A. F. WICKHART,
For Crown Agents.

Enclosure in No. 42.

MESSRS. RENDEL, PALMER AND TRITTON TO CROWN AGENTS.

12-14, Dartmouth Street, Westminster, London, S.W.1.

GENTLEMEN, 10th August, 1927.

Haifa Harbour.

WE are pleased to be able to inform you that the cablegram sent to Mr. Palmer, as quoted in our letter to you of the 5th instant,† duly reached him and a reply has been received from Port Nelson as follows:—

"Works not comparable. Recommend decision be deferred pending my return September seventh. This involves no *real* delay. Palmer."

It is satisfactory to find this confirms the view we provisionally expressed that no definite arrangement should, or need, be made until the whole question can be thoroughly considered when Mr. Palmer is back in London next month.

Although no specific reference is made to the preparation of data in the meantime, yet as this factor was mentioned in our cablegram we think that concurrence in the suggestion is tacitly implied and, subject to your confirmation, we propose to follow this course.

Yours faithfully,
RENDEL, PALMER AND TRITTON.

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* No. 41 † Enclosure in No. 41.

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C. 44059/27 [No. 48]

No. 43.

COLONIAL OFFICE to CROWN AGENTS FOR THE COLONIES.

GENTLEMEN, Downing Street, 20th August, 1927.

I AM directed to acknowledge the receipt of your letters of the 9th* and 10th† of August regarding the offer made by Sir Robert McAlpine and Sons to carry out under contract the proposed harbour works at Haifa.

2. The Secretary of State concurs in the view that a decision on this offer should be deferred until Mr. Palmer returns to London early next month. The firm are being informed to this effect and I am to request that you will obtain Mr. Palmer's recommendation and communicate it to this Department as soon as possible after his return.

3. The Secretary of State also agrees that the Consulting Engineers should be authorized to make a preliminary study of the Haifa harbour scheme in greater detail and that preliminary preparations should be made for the despatch of a survey party to Haifa in September. I am to authorize you to make the necessary arrangements with Messrs. Rendel, Palmer and Tritton without prejudice to the question of their remuneration as Consulting Engineers for the works.

I am, &c.,
A. J. HARDING.

C. 44059/27 [No. 49]

No. 44.

COLONIAL OFFICE to SIR ROBERT McALPINE AND SONS.

[*Answered by No.* 48.]

GENTLEMEN, Downing Street, 20th August, 1927.

I AM directed to refer to the letter from this Department of the 29th of July‡ to Sir Malcolm McAlpine regarding the construction of the proposed harbour works at Haifa and to inform you that Mr. Palmer, of the firm of Rendel, Palmer and Tritton, the Consulting Engineers for the works, has telegraphed from Canada recommending that a decision as to the method by which these works are to be carried out should be deferred until his return to this country on the 7th of September.

2. The Consulting Engineers have pointed out that the question of transferring your plant from the Gold Coast to Palestine, if it were decided to entrust the construction of the harbour works to you, is not of vital urgency at present, since in a report just received from the Resident Engineer at Takoradi it is stated that it will probably be toward the end of September before both breakwaters at that harbour are substantially completed. Even after the breakwaters have been substantially completed there is further work to be done on them and it is therefore unlikely that any appreciable quantity of plant that would be useful at Haifa could be released for shipment before a decision is taken as to the method of construction to be employed at Haifa.

3. In addition, the Secretary of State understands that it is unlikely that any plant at Takoradi could be shipped direct to Haifa and that it would be necessary therefore to forward it from the Gold Coast to this country for reshipment.

4 In these circumstances the Secretary of State has agreed that a decision in regard to the offer made in your letter of the 11th of July§ to undertake the construction of the Haifa harbour works should be deferred until Mr. Palmer has returned to this country and made a recommendation. In the meantime the Consulting Engineers are being authorized to make a preliminary study of the Haifa harbour scheme in greater detail and preliminary preparations are being made for the despatch of a survey party to Haifa in September.

5. A further letter will be addressed to you as soon as possible.

I am, &c.,
A. J. HARDING.

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* No. 41. † No. 42. ‡ C. 44059/27 [No. 39]: not printed. § No. 37.

C. 44059/27 [No. 51]

No. 45.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(No. 1105.)

Downing Street, 22nd August, 1927.

MY LORD,

I HAVE the honour to refer to Mr. Amery's despatch No. 770 of the 15th of June* and previous correspondence on the subject of the proposals for the construction of a harbour at Haifa.

2. I enclose, for your information, copies of the undermentioned correspondence:

(*a*) Letter of 30th of June† and enclosures, from the Crown Agents for the Colonies to the Colonial Office regarding the question of the remuneration of the Consulting Engineers.

(*b*) Letter of 11th of July‡ from Sir Robert McAlpine and Sons offering to construct the harbour under contract.

(*c*) Letter of 28th of July§ from the Colonial Office to the Crown Agents, which was sent after discussion with you, asking the Crown Agents to invite an expression of views from their Consulting Engineers on the offer made by Sir Robert McAlpine and Sons.

(*d*) Letters dated the 9th‖ and 10th¶ of August from the Crown Agents, with enclosures, suggesting that a decision in regard to that offer should be deferred until Mr. Palmer returns to this country at the beginning of September.

(*e*) Letter** from the Colonial Office to the Crown Agents agreeing that the decision should be deferred and authorizing the Crown Agents to instruct the Consulting Engineers to make a preliminary study of the Haifa harbour scheme in greater detail and to make preliminary preparations for the despatch of a survey party to Haifa in September.

3. Sir Robert McAlpine and Sons have been informed that a decision in regard to their offer must be deferred until Mr. Palmer's return. I will communicate with you again in due course on this point and also as regards the rate of remuneration to be paid to the Consulting Engineers, which is still unsettled.

4. I take this opportunity to enclose copies of correspondence†† in regard to an inquiry made by Sir Robert Waley Cohen as to the provision of facilities for oil tankers to come within the new harbour at Haifa and to discharge through pipe-lines laid along the quay. The question of providing accommodation of this character should be borne in mind when detailed plans are prepared.

5. I have also to refer to your telegram No. 139 of the 29th of July.‡‡ As Mr. Palmer is in Canada it has been suggested to Mr. Blake that he should get into touch with the firm of Messrs. Rendel, Palmer and Tritton and should discuss with them the question of the suitability of stone from Mount Carmel for use in the construction of the breakwater of the proposed harbour at Haifa.

I have, &c.,
(for the Secretary of State),
W. ORMSBY GORE.

C. 44059/27 [No. 53]

No. 46.

BOARD OF TRADE to COLONIAL OFFICE.

[*Answered by No.* 49.]

Petroleum Department, Board of Trade, Great George Street,
London, S.W.1, 25th August, 1927.

SIR,

I AM directed by the Board of Trade to refer to the letter of the 8th of August,§§ addressed to you by the Crown Agents for the Colonies, and to previous informal correspondence between this Department and Sir Robert Waley Cohen, of the Asiatic Petroleum Company, on the subject of the Haifa harbour scheme, and the possibility of bringing oil tank vessels within the harbour to discharge through pipe-lines alongside the quay to a bulk installation in the vicinity, and to state that the Board note the Engineers for the harbour scheme anticipate that it should prove quite possible to arrange for the required accommodation although they are not yet in a position to make a more definite statement pending fuller investigation.

* No 35. † No. 36. ‡ No. 37. § No. 38. ‖ No. 41. ¶ No. 42. ** No. 43.
†† Nos. 39 and 40. ‡‡ C. 44059/27 [No. 12]: not printed. §§ No. 40.

I am to observe, for the information of the Secretary of State, that it appears to the Board that if the accommodation desired by the oil company can be provided, the business is likely to provide a considerable source of revenue to the harbour, and I am to suggest, provided that Mr. Secretary Amery sees no objection, that this Department should propose to Sir R. Waley Cohen that he should place himself in direct communication on the subject with Messrs. Rendel, Palmer and Tritton. This course would have the advantage both of saving time and the possibility of error in connection with the transmission of detailed technical particulars between the interested parties.

I have, &c.,
J. J. WILLS.

C. 44059/27 [No. 54]

No. 47.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 29th August, 1927.)

(Confidential A.)

Government Offices, Jerusalem, 19th August, 1927.

SIR,

WITH reference to your despatch No. 770 of the 15th of June* on the subject of the proposals for constructing an enclosed harbour at Haifa, I have the honour to state that when the final estimates and plans of the proposed harbour are being prepared an estimate might of course be drawn up showing the additional cost of providing accommodation for large vessels, but it is practically certain that the additional cost involved would preclude the possibility of providing the larger accommodation. I will, however, reconsider this suggestion when the Engineers who will visit Palestine for the purpose of drawing up the general plans, specifications and estimates for the scheme of harbour works arrive.

2. I am informed that Mr. Palmer proposes to send out two Engineers in September provided the Crown Agents have completed the necessary arrangements as regards fees to be paid to Messrs. Rendel, Palmer and Tritton for their services as Consulting Engineers and the methods of procedure to be adopted I trust there will be no delay in completing these arrangements.

3. I should be glad to learn at an early date whether any reply has been sent to the letter,† a copy of which was enclosed with Sir John Shuckburgh's letter of the 28th of July‡ addressed to the Crown Agents, from Sir Robert McAlpine and Sons confirming an offer which was made by that firm to undertake the construction of the Haifa harbour works.

4. Mr. Palmer has informed me that he will require an average amount of 70,000 cubic yards of stone every month for the breakwater.

I propose, therefore, to instruct Mr. Blake on his return from leave on the 9th of September to make investigation as to suitable stone for the breakwater.

I have, &c.,
PLUMER, F.M.,
High Commissioner.

C. 44059/27 [No. 55]

No. 48.

SIR ROBERT McALPINE AND SONS to COLONIAL OFFICE.

[*Answered by Nos.* 53 *and* 57.]

50, Pall Mall, London, S.W.1, 31st August, 1927.

DEAR SIR,

REFERENCE your letter of 20th August,§ we would like to inform you that the completion of Takoradi Harbour will take place earlier than we even imagined reasonably possible, and during this week the Main Breakwater will be tipped to its full length and we are in a position to immediately release all the plant necessary for the starting up of Haifa harbour.

We feel confident that Takoradi harbour will be completed by the middle of January next, and all the necessary plant for Haifa harbour will be available as quickly as Haifa harbour can absorb same.

Yours faithfully
(pro Sir Robert McAlpine and Sons),
J. R. MILNE.

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* No. 35. † No 37. ‡ No. 39. § No. 44.

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C. 44059/27 [No. 56]

No. 49.

COLONIAL OFFICE to BOARD OF TRADE.

SIR, Downing Street, 9th September, 1927.

I AM directed to acknowledge the receipt of your letter of the 25th of August* regarding the possibility of bringing oil tank vessels within the proposed new harbour at Haifa to discharge through pipe-lines alongside the quay to a bulk installation in the vicinity, and in reply to state, for the information of the Board of Trade, that the Secretary of State sees no objection to their suggesting to Sir Robert Waley Cohen that he should communicate direct with Messrs. Rendel, Palmer and Tritton in the matter.

I am, &c.,
T. I. K. LLOYD,
For the Under-Secretary of State.

C. 44059/27 [No. 57]

No. 50.

COLONIAL OFFICE to CROWN AGENTS FOR THE COLONIES.

GENTLEMEN, Downing Street, 9th September, 1927.

I AM directed to refer to your letter of the 8th of August† in regard to the possibility of bringing oil tank vessels within the proposed new harbour at Haifa to discharge through pipe-lines laid along the quay to a bulk installation in the vicinity, and to transmit to you the accompanying copy of correspondence‡ which has been exchanged with the Board of Trade on the subject. I am to request that you will inform Messrs. Rendel, Palmer and Tritton of the action which the Board propose to take in the matter.

I am, &c.,
T. I. K. LLOYD
(for the Under-Secretary of State)

C. 44059/27 [No. 58]

No. 51.

COLONIAL OFFICE to CROWN AGENTS FOR THE COLONIES

[*Answered by No.* 52.]

GENTLEMEN, Downing Street, 9th September, 1927.

I AM directed to refer to the letter from this Department of the 20th of August,§ numbered as above, regarding the proposed harbour works at Haifa, and to transmit to you the accompanying copy of a despatch‖ from the High Commissioner for Palestine and also a copy of a letter¶ which has been received from Sir Robert McAlpine and Sons on the subject. I am to request that you will as soon as possible obtain and furnish this Department with Mr. Palmer's recommendations upon the offer made by Sir Robert McAlpine and Sons to carry out the proposed works under contract.

I am, &c.,
T. I. K. LLOYD,
For the Under-Secretary of State

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* No. 46. † No. 40. ‡ Nos. 46 and 49. § No. 43. ‖ No. 47. ¶ No. 48

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C. 44059/27 [No. 61]

No. 52.

CROWN AGENTS FOR THE COLONIES to COLONIAL OFFICE.

[*Answered by No.* 54.]

(Important.)

SIR, 4, Millbank, Westminster, London, S.W.1, 12th September, 1927.

WITH reference to our letter of the 10th August,* and to the Colonial Office letter of 9th September,† we have the honour to report that Mr. Palmer returned to this country on the 7th September and we have discussed with him the question of letting the contract for the proposed harbour works at Haifa. We now enclose a copy of his report on the subject.

It will be seen that he is of opinion that acceptance of Messrs. McAlpine's offer would result in a considerable saving of time but that he considers that he has no sufficient data to enable him to judge of the real extent of the work to be done or the lowest price which it might be possible to obtain.

Unless there are circumstances of which we are not aware which make it imperative to start the work at once we think that there is some danger in accepting any offer without calling for tenders. Our own experience of engineering undertakings of this magnitude has been that difficulties and delays usually result if work is begun without proper surveys and preparation. No trustworthy estimate of the total expenditure involved is at present possible, and before one can be made it will be necessary to have not only detailed surveys but a decision with regard to the depth of the harbour and the number of berths required.

We understand from Mr. Palmer that it will be possible to send out a survey party at the beginning of October.

As regards the question of remuneration we do not think that Messrs. Rendel, Palmer and Tritton can be expected to work for less than they receive for their work at the Port of London. That work is easier in as much as it can be visited with very little expenditure of time or money and the work at Takoradi, as Mr. Palmer points out, was supposed by him when he accepted it to be much simpler than in fact it was. We do not, therefore, think that Takoradi is a fair comparison.

I have, &c.,
HENRY LAMBERT.

Enclosure in No. 52.

MESSRS. RENDEL, PALMER AND TRITTON TO CROWN AGENTS.

12-15, Dartmouth Street, Westminster, London, S.W.1,
10th September, 1927.

GENTLEMEN,

Haifa Harbour.

Your letter of 29th July.

WE have given careful consideration to the offer made by Messrs. Sir Robert McAlpine and Sons for the construction of this harbour, and we think that their statement in regard to saving of time is probably well within the mark. It will save about nine months if work is commenced concurrently with the survey, which is absolutely necessary before contract drawings can be prepared—necessary, indeed, before the real extent of the contract can be determined—and our experience of this firm shows that there is likely to be a further saving in time, because of the energy with which they carry out contracts entrusted to them and their excellent organizing skill.

The question of conditions and schedule of prices is, however, very different. Messrs. McAlpine offer to carry out the Haifa works on the same terms as those under which the Takoradi contract is being carried out, but, as you are aware, there is no great similarity between the two places. At Takoradi, owing to the circumstances which arose in 1924, a change occurred in the method of carrying out the works, and as it was considered necessary, in order to avoid any break in the continuity of operations, to arrive at a quick decision in the matter, the form of

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* No. 42. † No. 51.

competitive tendering adopted and referred to by Messrs. McAlpine was not necessarily such as would lead to the lowest possible offers. Then in regard to the actual works, there is no known similarity in the nature of the contracts, beyond that at both places breakwaters of quarried rock are necessary and constitute the principal expenditure. Although this is the principal item at both places, there are many substantial differences. For instance, Haifa demands considerable dredging, while at Takoradi there is none, and until the survey has definitely disclosed the nature of the harbour bed, there can be no decision as to the method of construction to be adopted nor, indeed, as to the probable total cost. Further, until the number of shipping berths can be determined upon—a subject to which we wish to refer later on—the extent of the works cannot be correctly estimated.

In regard to prices, we have already pointed out that those for Takoradi are not necessarily the lowest which could have been obtained had circumstances permitted, although we believe them to be fair prices; but, at all events, they are prices for work in a tropical country, and, in our opinion, it might be possible to obtain somewhat lower prices for Haifa. We think that the only way to ascertain what are fair prices for Palestine is that of competitive tendering.

Our opinion on this question is that, while it is highly probable that considerable saving in the time for completion will be effected by accepting Messrs. McAlpine's offer, we have no sufficient data on which to judge of the real extent of the work or of the absolutely lowest prices obtainable. The question seems to resolve itself into one of time. If the earliest possible completion of the Haifa harbour works is of primary importance, this end can undoubtedly best be obtained by accepting Messrs. McAlpine's offer, but if time is of but secondary importance it is possible, although by no means certain, that somewhat better prices might be obtained.

We have mentioned that no decision has yet been reached as to the number of shipping berths required. We have reason to believe that further developments in Palestine and the hinterland may result in considerably increasing the trade of the port in the near future, and we suggest that it may be possible to ascertain to what extent the harbour works will have to be increased or accelerated to meet these demands. They are, in our view, sufficiently within the possibilities of early requirements to justify further inquiry.

In regard to the terms we have asked for in payment for our services as your Consulting Engineers, it is suggested that we should be satisfied with the same terms as those agreed for Takoradi.

We venture to think that the conditions in the two cases are quite different. For Takoradi we agreed to 3½ per cent. because we were under the impression that all drawings had been completed by the former Consulting and Constructional Engineers, but, unfortunately for us, we found that in reality no plans of any value to us had been prepared, and we were compelled to start afresh (and we have done so at our own cost) upon the preparation of every design and drawing required for the works. The number of these plans already exceeds one hundred and fifty sheets of completed drawings.

Again, in the case of Takoradi, no deduction has been, or can be, made in respect of the fee of seven thousand guineas paid to us for the Report, whereas, at Palestine, our fees are subject to a deduction of 4,000 guineas for a Report made so long ago as 1923, because at that time we agreed to the Report fee being merged in the fees for construction, under the impression that the works would be proceeded with in due course.

We have already informed you that we are being paid 5 per cent. on the first half-million and 4 per cent. for sums over that amount by the Port of London Authority for works now in progress *here in London* aggregating in value about four-and-a-half million sterling, and we feel that we cannot accept a lower rate for work abroad, especially as in this case a sum of 4,000 guineas has to be deducted, in accordance with the agreement made in 1922. We trust this matter, therefore, will have your further, and favourable, consideration.

We are, &c.,
RENDEL, PALMER AND TRITTON.

C. 44059/27 [No. 62]

No. 53.

COLONIAL OFFICE to SIR ROBERT McALPINE AND SONS.

GENTLEMEN, Downing Street, 22nd September, 1927.

I AM directed to refer to your letter of the 31st of August,* in regard to your offer to undertake the construction of the proposed harbour works at Haifa in Palestine, and to inform you that Mr. Palmer has now submitted his report on the question of the method by which these works should be carried out. A copy of this report is being transmitted to the High Commissioner for Palestine for his consideration and a further communication will be addressed to you upon the receipt of Lord Plumer's reply.

I am, &c.,
J. E. SHUCKBURGH.

C. 44059/27 [No. 63]

No. 54.

COLONIAL OFFICE to CROWN AGENTS FOR THE COLONIES.

GENTLEMEN, Downing Street, 22nd September, 1927.

I AM directed to acknowledge the receipt of your letter of the 12th of September† enclosing a copy of a report by Mr. Palmer in regard to the questions outstanding in connexion with the proposed harbour works at Haifa in Palestine.

2. In the circumstances the Secretary of State has decided that Messrs. Rendel, Palmer and Tritton should be paid, for their services as Consulting Engineers in connexion with these works, a fee calculated at the rate of 5 per cent. on the first £500,000 of the expenditure on the construction of the harbour and at the rate of 4 per cent. on the balance thereof, on the understanding that the sum of 4,000 guineas, which they have already received for the report rendered in July, 1923,‡ will be deducted from this charge, and that payments in respect of any future visits of inspection which may be necessary will be arranged separately as occasion arises.

The Secretary of State also considers that estimates and plans of the proposed works should be prepared on the spot at the earliest opportunity. The proposed survey party should accordingly proceed to Palestine at the earliest possible date. I am to authorize you to inform Messrs. Rendel, Palmer and Tritton that their proposals for the fee to be paid to them are accepted and that the arrangements for the despatch of a survey party to Haifa should be pressed forward as quickly as possible.

3. The Secretary of State is communicating with the High Commissioner for Palestine regarding (1) the question of the method of construction to be employed and (2) the offer of Messrs. McAlpine to carry out the harbour works. Lord Plumer is being requested to telegraph his views at the earliest possible date and on the receipt of this telegram a further communication will be addressed to you. Meanwhile Messrs. McAlpine are being informed that the matter is being referred to the Palestine Government.

I am, &c.,
J. E. SHUCKBURGH.

C. 44059/27 [No. 64]

No. 55.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

[*Answered by No.* 56.]

(Confidential A.)

MY LORD, Downing Street, 22nd September, 1927.

I HAVE the honour to refer to my Confidential despatch of the 13th of September§ and to transmit to Your Lordship the accompanying copy of further correspondence‖ with the Crown Agents for the Colonies in regard to the several questions outstanding in connexion with the proposed harbour works at Haifa.

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* No. 48. † No. 52. ‡ 45356/23: not printed. § C. 44059/27 [No. 60]: not printed. It transmitted copies of Nos. 48 and 51. ‖ Nos. 52 and 54.

2. You will observe that the Crown Agents have been authorised to accept the proposals made by Messrs. Rendel, Palmer and Tritton for their remuneration for acting as Consulting Engineers to the works. In view of the considerations put forward by the Crown Agents and by the firm I came to the conclusion that the terms proposed were reasonable and should be accepted. You will also observe that the Consulting Engineers will be asked to send a survey party to Haifa at the earliest date possible.

3. There remains the question of the method by which the harbour should be constructed. Mr. Amery in his despatch No. 363 of the 23rd of March* discussed at length the several possible alternatives and on full consideration came to the conclusion, with which you agreed, that the works should be carried out departmentally. During your recent leave in this country Messrs. McAlpine made an offer to construct the harbour on the terms under which the Takoradi harbour contract is being carried out. They claimed that, if their offer were accepted, the work of construction could be begun at an earlier date than would otherwise be possible. You felt and Mr. Amery agreed that, having regard to the need for relieving unemployment in Palestine, this was an important consideration on which the views of the Consulting Engineers should be obtained.

4. The Consulting Engineers have now furnished a considered opinion and from the correspondence enclosed you will observe that both they and the Crown Agents take the view that, if the work is to be put out to contract, competitive tenders should be invited. I share this opinion. The reasons given by the Consulting Engineers seem to me to show conclusively that it would be impossible to justify acceptance of Messrs. McAlpine's offer to construct the Haifa harbour on the terms under which the Takoradi contract is being carried out, and, should it be decided to put the works out to contract, I consider that to negotiate with that firm to the exclusion of other contractors would be likely to give rise to criticism which it might be difficult to refute. The conclusion of a contract for the works with Messrs. McAlpine's without first inviting competitive tenders could only be justified on the score of urgent necessity. It is, I agree, of the utmost importance that the works should be begun at an early date; but, while the offer made by Messrs. McAlpine's would no doubt secure an earlier start than if tenders were invited in the ordinary way, it appears to me that, if a prompt decision is taken to construct the works departmentally it should be possible to begin the works at a date little, if any later than would be the case if the offer made by Messrs. McAlpine's were accepted.

5. The other possible advantage of accepting that offer is that the harbour might be completed more rapidly than would otherwise be the case. In my opinion this advantage is outweighed by the fact that, if the offer made by Messrs. McAlpine's were accepted, the Palestine Government would have to pay more for the construction of the harbour than they would pay if that work were carried out by other methods. I am confident that you will agree with me that, even if it is desirable that the works should be carried out rapidly, it is still more important that they should be carried out economically.

6. There are three possible alternatives by which it can be ensured that the works are carried out economically, namely:—

(*a*) The system of departmental construction could be adopted.
(*b*) Competitive tenders could be invited; or
(*c*) a special contract could be negotiated with Messrs. McAlpine.

If either the second or third alternatives were adopted it would be necessary to draw up detailed plans, specifications, etc., and, from the point of view of an early beginning of the works, neither of these methods would be likely to have any advantage over the method of departmental construction, while the latter method would have the advantages described in Mr. Amery's despatch No. 363 of the 23rd of March.*

7. For these reasons I have formed the opinion that it will be best to maintain the decision, with which you agreed, that the works should be carried out by the system of departmental construction. You will observe that the Crown Agents have been asked to inform the Consulting Engineers that you were being consulted

* No. 20.

on the questions which I have discussed above. I shall be glad if you will inform me by telegram at the earliest possible date whether you agree with the conclusions at which I have arrived.

I have, &c.
(For the Secretary of State),
W. ORMSBY GORE.

C. 44059/27 [No. 69]

No. 56.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 7.23 p.m., 4th October, 1927.)

TELEGRAM.

No. 194 of the 4th October. Your despatch of 22nd September, Confidential A.* I agree.—PLUMER.

C. 44059/27 [No. 71]

No. 57.

COLONIAL OFFICE to SIR ROBERT McALPINE AND SONS.

GENTLEMEN, Downing Street, 14th October, 1927.

WITH reference to the letter from this Department, numbered as above, of the 22nd of September,† I am directed to inform you that it has been decided to carry out the proposed harbour works at Haifa by a special staff, with a Resident Engineer in charge, acting under the direction of Consulting Engineers.

I am, &c.,
J. E. SHUCKBURGH.

C. 44059/27 [No. 72]

No. 58.

COLONIAL OFFICE to CROWN AGENTS FOR THE COLONIES

[*Answered by No.* 59.]

GENTLEMEN, Downing Street, 14th October, 1927.

WITH reference to the letter from this Department, numbered as above, of the 22nd of September,‡ I am directed to inform you that it has been decided to carry out the proposed harbour works at Haifa by a special staff, with a Resident Engineer in charge acting under the direction of Messrs. Rendel, Palmer and Tritton as Consulting Engineers. This decision has been communicated to Messrs. McAlpine in a letter§ of which a copy is enclosed and I am to request you to inform the Consulting Engineers of the decision which has been taken.

2. An agreement, which should be subject to the approval of the Secretary of State, should be concluded with Messrs. Rendel, Palmer and Tritton for their appointment as Consulting Engineers for the proposed works. The arrangements which are being made with that firm for the despatch of an engineer and survey party to Haifa are no doubt in train and, provided that you see no objection to the terms of appointment of the engineer and members of the party, they should proceed to Palestine as soon as possible. The selection of other staff required in connexion with the works should be made by you and the Consulting Engineers in consultation and the terms of appointment of such staff should be subject to the approval of the Secretary of State.

I am, &c.,
J. E. SHUCKBURGH.

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* No. 55 † No 53 ‡ No 51. § No. 57.

C. 44059/27 [No. 78]

No. 59.

CROWN AGENTS FOR THE COLONIES to COLONIAL OFFICE.

2nd November, 1927.

SIR,

ON receiving your letter of the 14th October* regarding the proposed Harbour Works at Haifa we communicated as instructed with Messrs. Rendel, Palmer and Tritton and now enclose for the information of the Secretary of State a copy of their reply.

2. In our letter we set out the terms on which they were to act as follows :—

"(*a*) You shall be paid for your services as Consulting Engineers a fee calculated at the rate of 5 per cent. on the first £500,000 of the expenditure on the construction of the harbour and at the rate of 4 per cent. on the balance thereof on the understanding that the sum of 4,000 guineas which you have already received for the report rendered in July, 1923,† will be deducted from this charge.

(*b*) The above charge shall cover all inspection of material which can be carried out by your own staff but any tests by specialists will be paid for by the Palestine Government.

(*c*) Payments in respect of any future visits to Palestine of inspection which it may be necessary for Mr. Palmer to make will be paid for separately as occasion arises.

(*d*) The Resident Engineer and staff sent out from this country will be selected by yourselves in consultation with us and the terms of appointment of such staff will be subject to the approval of the Secretary of State. All members of the staff will enter into an agreement with us, acting on behalf of the Palestine Government, for such period and on such terms as may be arranged. The staff will be for all purposes of discipline and action the servants of the Palestine Government but will be responsible to yourselves for the technical conduct of the work and its efficient execution. Their salaries will be payable by the Palestine Government and all business connected with the preparation of agreements, engagement of passages, etc., will be dealt with by us as agents to the Palestine Government.

(*e*) The actual out-of-pocket cost of the survey staff and any equipment necessary, plus overhead charges, will be paid for as a separate item."

It will be seen that Messrs. Rendel, Palmer and Tritton have accepted these terms.

3. The Consulting Engineers point out, however, the serious difficulties to which the decision to do the work departmentally is bound to give rise. Our own experience corroborates their views, and we do not think that the difficulties are at all over-stated. We may point out that although the Admiralty possess a highly skilled engineering staff and have no doubt at their command a certain amount of plant for harbour work they always proceed by contract except in a very few small projects. We are not aware in our own experience of any recent case where large harbour works have been carried out successfully and economically by departmental labour. It is true that the harbour work at Lagos which chiefly consists of two moles was and is being carried out departmentally, but when the work was started no proper plans could be made and it is questionable whether any contractor would have been willing to take on the work in the conditions of West Africa at the time. To the best of our recollection the Government of Southern Nigeria was unwilling to find more than a comparatively small sum per annum, and seeing that the work was started in 1907 and is still in progress it can hardly be regarded as a precedent for harbour works at Haifa. It is difficult to trace from our records why it was decided to construct the harbour at Colombo departmentally, but from the papers which we have been able to consult we gather that one of the principal motives was the large amount of convict labour available at the time.

4. With the exception of these two projects both of which were started many years ago we know of no large harbour which has been built except by contract, and we can see no reason to suppose that any saving of the contractor's profit can possibly outweigh the expensiveness, slowness (which again means expensiveness), and lower level of efficiency of departmental construction in this class of work.

* No. 58. † 45356/23: not printed.

5. We would like to add a few words on the question of expedition. Under either method of construction it is essential that a proper project should be prepared with plans, estimates, etc. Once this is done the time that it will take to start the work depends on the time taken to call for tenders, place the order and make the contract in the one case, and the time taken to purchase the plant required to do the work departmentally in the other. The first method would probably take about six months from the time the project is complete. We are doubtful whether the plant required could be ordered, manufactured and delivered at site in so short a time.

I have, &c.,

HENRY LAMBERT.

Enclosure in No. 59.

MESSRS. RENDEL, PALMER AND TRITTON TO CROWN AGENTS.

12-15, Dartmouth Street, Westminster, London, S.W.1.

1st November, 1927.

GENTLEMEN,

Haifa Harbour.

WE beg to acknowledge receipt of your letter of the 18th October, and to state that the terms mentioned correctly represent the agreement upon which we shall be pleased to act as Consulting Engineers for the survey, the preparation of contract documents, and the supervision of the construction of this harbour. It is understood that in clause (*d*) the staff referred to is that required for construction purposes. The survey staff consists of members of our own staff specially selected for this work, and the names of the Engineers sent out and the salaries and allowances agreed are given in the memorandum* which accompanies this letter.

2. We think it desirable that drawings and specifications for the new works shall be prepared in as complete a manner as would be necessary in the case of letting the work by contract, although we understand that it has been decided to carry out the work departmentally.

3. In this connexion, we think we should be failing in our duty if we do not call your attention to the difficulties which are sure to arise in the adoption of this method of construction and the probabilities of the cost being greater, perhaps much greater, than in a work of this nature carried out by contract. The plant required will be very costly compared with the value of work to be done. In the case of Takoradi, for instance, the cost of plant purchased prior to September, 1924, when departmental work was abandoned in favour of the contract system, amounted to no less than £342,302 exclusive of railway lines, for the construction of work estimated to cost £1,600,000.

4. Since that time, for reasons which are already known, the estimated cost has been increased to £3,249,237 (including over a million pounds expended up to March, 1924), and the Contractors have had to spend a further sum of about £360,000 on plant, excluding, also, rails and sleepers.

5. Excepting those items previously purchased, which the Contractors considered to be unsuitable for the work, the whole of the plant, after completion of the contract, will be of considerable value to them because it can be transferred to other works which they may have in course of construction, or have contracted for. But, to the Government, the residual value of plant must necessarily be small, as there is no further use for it, and it must be sold for whatever price it will fetch. For this reason, we think there is bound to be considerable loss to the Government.

6. In first cost, too, the item of plant will be much greater to the Government than to a contractor, because, in the first case, new plant will almost certainly have to be purchased, whereas, in the second case, it is equally certain that the contractor already possesses the bulk, perhaps the whole, of the plant required, and, also, that this plant stands in his books at a price probably not more than one-half of the cost price.

7. Then, in regard to the conduct of the work, the Government must always be at a disadvantage as compared with the Contractor, because the latter has at his immediate disposal a staff of Engineers, foremen and gangers highly experienced in carrying out such works. The Government, on the other hand, will have to gather together a constructional staff, and we cannot help thinking that it will be impossible to assemble in time, if at all, a staff so experienced.

* Not printed.

8. If the decision to carry out the works departmentally has been arrived at with the intention of employing local labour (much of which is understood to be at present unemployed), we would point out that this means that the labour employed will be entirely unused to this class of work. There will be no experienced foremen or gangers, because men of this class are such an asset to Contractors that they are almost invariably retained on their permanent staff. The cost of the work is bound to be greatly enhanced, because of the inexperience of both foremen and workmen.

9. The one item on which it is possible to effect a saving is that of Contractor's profit, but it must not be forgotten that this profit if, and when, made is earned by their great skill in organizing and administering works, and by the skill and experience of the gangers and leading hands employed thereon.

10. We feel much diffidence in bringing these opinions to your notice, but we feel bound to inform you of what we think will be the inevitable result of carrying out a comparatively large harbour work by departmental methods.

We are, &c.,

RENDEL, PALMER AND TRITTON.

422

Printed for the use of the Colonial Office.

Middle East
No. 13.

CONFIDENTIAL.

CORRESPONDENCE

[1927]

REGARDING THE ADMISSION OF

'IRAQ

TO MEMBERSHIP OF THE

LEAGUE OF NATIONS.

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TABLE OF CONTENTS.

Serial No., From or to whom, Despatch No., &c., and Date.	Subject and Page No.
1927	
1 To the High Commissioner, Secret ... ... January 4	Requests an expression of views on the attitude which His Majesty's Government should adopt in the event of the 'Iraq Government raising officially the question of the early admission of 'Iraq to the League of Nations 1
2 The High Commissioner, Secret "C" ... March 24 (Rec. April 4)	Submits his views as requested in No. 1 and suggests that the good faith of Great Britain and the best interests of Great Britain and 'Iraq require us to press for the admission of 'Iraq and to make a Treaty of specially close friendship with her, if she so wishes. Considers that the best way of presenting these conclusions to 'Iraq will be to explain to her the difficulties likely to follow upon her admission to the League and to give her the choice of her policy 1
3 The High Commissioner, Secret "B" ... March 24 (Rec. April 4)	Transmits memoranda of discussions with King Faisal regarding the future military policy in 'Iraq and the proposed entry of 'Iraq into the League of Nations. Transmits also a draft declaration on the latter subject, which it is thought might be acceptable to His Majesty's Government 12
4 The High Commissioner, Secret ... ... March 31 (Rec. April 11)	Indicates the attitude of King Faisal in the matter of the entry of 'Iraq into the League of Nations, and examines this attitude in detail. If it is decided to press for the admission of 'Iraq at the end of 1928, recommends that an assurance on the subject be published, as desired by King Faisal, leaving to the future the difficulty of the opposition which such assurance may produce, but reaping its immediate benefits 19
5 The High Commissioner, Telegram, 222 .. May 14 (Rec. May 15)	States that King Faisal considers that it will not be possible to get the Conscription Bill through Parliament unless he can obtain an announcement by His Majesty's Government that they will press for the admission of 'Iraq to the League at the close of the Protocol period 20
6 To Foreign Office and Air Ministry, Secret May 20	Transmits copies of despatches from the High Commissioner regarding the question of the admission of 'Iraq to the League of Nations. Gives his views on the matter, and submits, for concurrence, a draft telegram in reply, stating that, having regard to all the circumstances, His Majesty's Government will not be prepared to raise the question with the League until August, 1932 21
7 The High Commissioner, Telegram, 238 ... May 25 (Rec. May 26)	States that opposition to the Conscription Bill is increasing, and it appears that the Cabinet are trying to find an excuse to resign and thereby to throw on the British Government the odium of obstructing the development of the Army by the delay in making a declaration as to the admission of 'Iraq to the League. The situation may become very awkward, and he should find it useful in the meantime to be empowered to assent to the 'Iraq Government's maintaining silence in Parliament regarding the co-operation of British Forces 22
8 The High Commissioner, Telegram, 241 ... May 27 (Rec. May 28)	States that he had an interview with King Faisal and four principal Ministers. Gives outline of the King's plans and his reply thereto, and suggests the message which he should be instructed to deliver 23
9 The High Commissioner, Telegram, 242 ... May 28 (Rec. May 28)	States that King Faisal is still anxious to receive an early reply to his requests, and it may be difficult to turn Ministers away from the attitude they have adopted. If authority is given to communicate a message on the lines suggested in No. 8, discretion will be exercised in softening its terms according to the circumstances prevailing 24
10 Air Ministry, Secret ... ... May 31	In reply to No. 6 concurs in the terms of the proposed telegram, and suggests the omission of the words indicated 25
11 To the High Commissioner, Telegram, 183 ... June 1	States that proposal regarding the Conscription Bill is accepted. A message on the lines proposed in No. 8 may be delivered to the 'Iraq Government and a further telegram will be sent on the question of the admission of 'Iraq to the League 25
12 Foreign Office, Secret ... ... June 1	In reply to No. 6, agrees to the postponement of the date for raising the question of 'Iraq's admission to the League, but does not consider that any definite date should be fixed. Suggests that the matter should be submitted to the Cabinet 25
13 The High Commissioner, Telegram, 296 ... June 30 (Rec. June 30)	Reports upon conversations with King Faisal regarding the Conscription Bill, and states that the King intimated that he does not now attach particular importance to the entry of 'Iraq into the League, but desires a review of the Treaty and Military and Financial Agreements 26
14 To the High Commissioner, Telegram, 232 ... July 6	Requests that the 'Iraq Government be informed that it is the intention of His Majesty's Government to take up with the League of Nations in 1932 the question of 'Iraq's admission provided all goes well in the meantime. There is no objection to a public announcement to this effect being made by the 'Iraq Government 27
15 The Acting High Commissioner, Telegram, 314 ... July 9 (Rec. July 9)	States that as the High Commissioner is on his way to England, and in view of suggestions contained in No. 13, no action will be taken on No. 14 pending receipt of further instructions 28
16 The Acting High Commissioner, Telegram, 318 ... July 9 (Rec. July 9)	States that in the circumstances indicated, if an amendment of the Treaty is agreed to, it may prove unnecessary to make any promise in regard to 'Iraq's entry into the League in 1932 28
17 The Acting High Commissioner. Telegram, 341 ... July 21 (Rec. July 21)	Gives the substance of a telegram from Muzahim to the Prime Minister regarding Treaty negotiations, and requests early enlightenment thereon 28
18 To the Acting High Commissioner, Telegram, 258 ... July 21	States that the question of revising the Treaty raises wide issues, and it will not be possible to obtain a Cabinet decision before late autumn. King Faisal may be informed accordingly, and also in the sense indicated regarding the Financial and Military Agreements, and admission to the League 29

53504. Wt. 25737/2198. 30. 7/29. J. J. K. & Co., Ltd.

Serial No., From or to whom, Despatch No., &c., and Date.	Subject and Page No.
1927	
19 The Acting High Commissioner, Telegram, 345 ... July 22 (Rec. July 22)	States that the questions referred to in No. 18 will be discussed with King Faisal. In view of the injudicious telegram sent by Muzahim, proposes to tell the King that he may, under seal of secrecy, inform Ministers of the actual situation 29
20 The Acting High Commissioner, Telegram, 346 ... July 22 (Rec. July 22)	States that the King has already broadcast among political leaders that he is going to France, and later to London, to negotiate the amendment of the Treaty 30
21 The Acting High Commissioner, Telegram, 353 ... July 23 (Rec. July 23)	States that King Faisal has been given in writing the contents of Nos. 14 and 18, and is thoroughly satisfied with the communication. Suggests the form of *communiqué* which should be issued in connexion with the King's visit to Europe, and requests concurrence therein 30
22 Sir H. Dobbs to Sir J. Shuckburgh, Secret July 27	Transmits suggested amendments to the Anglo-'Iraq Treaty of 1922 30
23 To the Acting High Commissioner, Telegram, 275 ... July 29	Concurs in the issue of a *communiqué* as proposed in No 21 33
24 The Acting High Commissioner, Telegram, 367 ... August 1 (Rec. August 1)	States that it would now be inappropriate to issue any *communiqué*, as the vernacular Press has given full publication to the matters which were to have been included therein. The Press has indulged in a campaign of anti-British articles which King Faisal has probably engineered 33
25 The Acting High Commissioner, to King Faisal ... July 22 (Rec. in Colonial Office Aug. 8)	States that His Majesty's Government have decided that it is not in the best interests of 'Iraq to press for her admission to the League in 1928. Gives reasons for the decision and states that the League may send a further Commission to investigate conditions on the spot. Considers that it might be convenient if His Majesty could be within sufficient reach of London to be consulted during the discussions on the questions of the revision of the Treaty and the Military and Financial Agreements 33
26 King Faisal to the Acting High Commissioner July 24 (Rec. in Colonial Office. Aug. 8)	In reply to No. 25, states that he will visit Europe at the earliest opportunity, and is exceedingly optimistic as to the results thereof 34
27 To the Acting High Commissioner, Telegram 286 ... Aug. 11	In view of misleading reports which have appeared in the Press, proposes to issue on 12th August the *communiqué* indicated 35
28 Colonial Office ... Aug. 12	Revised draft Anglo-'Iraq Treaty 35
29 Sir J. E. Shuckburgh to King Faisal ... ... Aug 30	States that he will visit His Majesty in order to hear his proposals on the subject of the revision of the Anglo-'Iraq Treaty, etc., but will have no authority to commit His Britannic Majesty's Government in any way at the present stage 37
30 To Foreign Office, Confidential ... ... Aug. 30	Transmits copy of No. 29, and states that, on learning King Faisal's proposals, interested Ministers will be consulted, and if necessary Cabinet authority will be sought, before committing His Majesty's Government to any modifications in the existing relations between Great Britain and 'Iraq 37

CORRESPONDENCE

[1927]

REGARDING THE ADMISSION OF

'IRAQ

TO MEMBERSHIP OF THE

LEAGUE OF NATIONS.

C. 23907/26

No. 1.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

[*Answered by No.* 2.]

(Secret.)

SIR, Downing Street, 4th January, 1927.

ARTICLE 3 of the Anglo-'Iraq Treaty of the 13th January, 1926, provides that, at the expiration of the period covered by the Protocol of April, 1923 (i.e., the 6th August, 1928), and thereafter at subsequent successive intervals of 4 years until the expiry of the period of 25 years mentioned in the Treaty of January, 1926, or until the admission of 'Iraq into the League of Nations, His Britannic Majesty will take into active consideration the following two questions, namely:—

(1) The question whether it is possible for him to press for the admission of 'Iraq into the League of Nations;

(2) if it is not so possible, the question of the amendment, on account of the progress made by the Kingdom of 'Iraq or for any other reason, of the agreements referred to in Article XVIII of the Treaty of 10th October, 1922.

2. It is to be anticipated that the question of the admission of 'Iraq into the League of Nations will arouse active discussion in 'Iraq during the next one-and-a-half years, and that interest in the subject will increase in intensity as the date contemplated in the Treaty, viz., the termination of the Protocol period in August, 1928, draws nearer. I am not aware what view is likely to be held by the 'Iraq Government on this subject, or how far it may be their intention to press for admission to the League at the earliest opportunity. But an agitation in favour of early admission may easily be aroused; and the 'Iraq Government, whatever may be their own wishes, may find themselves compelled, in deference to their critics if for no other reason, to raise the question officially with His Majesty's Government. It is clearly desirable that a decision should be reached, as soon as possible, as to the attitude which, in that event, His Majesty's Government should adopt. I should be glad if you would take the whole matter into your early consideration and favour me with an expression of your views.

I have, &c.,
L. S. AMERY.

C. 40299/27 [No. 5]

No. 2.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 4th April, 1927.)

[*Answered by No.* 14.]

(Secret "C.")

SIR, The Residency, Baghdad, 24th March, 1927.

I HAVE the honour to reply to your Secret despatch dated the 4th of January, 1927,* which deals with the question whether it will be possible at the termination of the Protocol period of the original Anglo-'Iraq Treaty for His Britannic Majesty to press for the admission of 'Iraq into the League of Nations.

* No. 1.

A. Possible Objections to the Early Admission of 'Iraq.

2. The first points which appear to deserve discussion are the likelihood of objections on the part of members of the League to the early admission of 'Iraq and the extent to which 'Iraq will, so far as can be foreseen, be qualified towards the end of 1928 for admission. In examining these points I must ask pardon if my comparative ignorance of the attitude of the League towards the admission of new members and of the policy of France in particular leads me into unfounded speculations

3. It seems probable that the League will largely base its appreciation of the fitness of 'Iraq for admission upon the Report* of the Commission appointed to examine the question of the frontier between Turkey and 'Iraq, which was presented to the League on the 16th of July, 1925. I quote below the relevant passages from Chapter V of that Report:—

> "The internal situation in the State of 'Iraq, however, seems unstable. Those who direct the government have undoubtedly the best intentions, but lack political experience. Serious difficulties are being encountered owing to the tension between Sunnites and Shiites, the latter of whom are less open to modern ideas of reform. It should be noted that the Shiites are in a majority in the two Vilayets of Baghdad and Basrah, while the vast majority of the population of the Vilayet of Mosul are Sunnites. The relations between Kurds and Arabs are also uncertain; at the time of the Commission's visit the Government had not yet ventured to set up an 'Iraq administration in the Liwa of Sulaimaniya, which was still ruled by British officials. The Commission formed the impression that the Mandate, in the shape of the existing Treaty, must be maintained for something like a generation in order to allow of the consolidation and development of the new State. In the opinion of many persons whom we consulted, the very existence of the State might be imperilled if the guidance and protection afforded by the League of Nations Mandate were withdrawn after a few years.
>
> It is clear, therefore, that the economic and other advantages which the Vilayet of Mosul as a whole would derive from union with 'Iraq would be exchanged for very serious political difficulties if the Mandate should expire before 'Iraq could be regarded as ripe for self-government without League support. In that case it would certainly be better for the Vilayet of Mosul to be placed under Turkish sovereignty, since the internal and external political situation of Turkey is incomparably more stable than would be the case with 'Iraq if the latter country were left to itself.
>
> Though in comparison with the pre-war situation considerable progress has undeniably been achieved by the 'Iraq Government with the help of British advice, more especially in regard to general security, public health and education, there can be no doubt that the internal conditions of the Kingdom are still very unstable. Notwithstanding the good intentions of the statesmen of 'Iraq, whose political experience is necessarily small, it is to be feared that serious difficulties may arise out of the differences which in some cases exist in regard to political ideas between the Shiites of the South and the Sunnites of the North, the racial differences between Arabs and Kurds, and the necessity of keeping the turbulent tribes under control. These difficulties might be fatal to the very existence of the State if it were left without support and guidance. For the sake of the development and prosperity of the country, the Commission feels that it should remain under League of Nations Mandate for about twenty-five years.
>
> *Final Conclusions.*
>
> . . . . The Commission is of opinion that important arguments . . . . operate in favour of the union with 'Iraq of the whole territory south of the 'Brussels line,' subject to the following conditions:
>
> (1) The territory must remain under the effective Mandate of the League of Nations for a period which may be put at twenty-five years
>
> The Commission is convinced that if the League of Nations' control were to terminate on the expiry of the four-years Treaty now in force between Great Britain and 'Iraq, and if certain guarantees of local administration were not to be given to the Kurds, the majority of the people would have preferred Turkish to Arab sovereignty.

* C. 58036/28: not printed.

> The Commission is also convinced that the advantages of the union of the disputed territory with 'Iraq would in that case be exchanged for very serious political difficulties, and considers that, under those circumstances, it would be more advantageous for the territory to remain under the sovereignty of Turkey, whose internal conditions and external political situation are incomparably more stable than those of 'Iraq."

The Committee of the Council of the League appointed for the examination of this report made the following recommendations to the Council:—

> "The allocation to 'Iraq of all the territory south of the so-called 'Brussels Line' in fact appeared the best solution adopted to solve the problem submitted. The Council on the basis of the recommendation of the Commission of Inquiry, subject however to the *eventual* (italics are mine) admission of 'Iraq to the League of Nations in accordance with the provisions of Article 1 of the Covenant, will no doubt consider that the* duration for 25 years of the régime laid down by the Treaty of Alliance between Great Britain and 'Iraq and by the undertaking entered into by the British Government and approved by the Council on the 27th September, 1924, is an essential condition, and that if that condition be not executed the decision would not become definitive." . . . .

The Committee of the Council took the view that the continuation of this régime should at once be assured by the conclusion of a new Treaty between the British Government and 'Iraq; it therefore thought that it should inquire from the British representative what period of time would be required for submitting to the Council a new Treaty for a period of twenty-five years between the British Government and 'Iraq.

The representative of Great Britain replied:—

> "In answer to the question put to me by the Council, I see no difficulty in submitting, within six months from the present date, a new Treaty with 'Iraq, which will continue the Mandatory responsibility towards the League which is embodied in the current Treaty and in the League decision of the 27th September, 1924, for twenty-five years or until such earlier date as 'Iraq is, in the opinion of the Council, qualified for admission to membership of the League.
>
> L. AMERY."

The Council of the League adopted the following decision on the foregoing recommendations of the Committee:—

> "The frontier between Turkey and 'Iraq shall be fixed as follows. (Details omitted.)
>
> The British Government is invited to submit to the Council a new Treaty with 'Iraq, ensuring the continuance for twenty-five years of the Mandatory régime defined by the Treaty of Alliance between Great Britain and 'Iraq and by the British Government's undertaking approved by the Council on the 27th September, 1924, unless 'Iraq is, in conformity with Article 1 of the Covenant, admitted as a Member of the League before the expiration of this period.
>
> As soon as, within a period of six months from the present date, the execution of this stipulation has been brought to the knowledge of the Council, the Council shall declare that the present decision has become definitive and shall indicate the measures required to insure the delimitation on the ground of the frontier line."

4. It is of course clear from these extracts that the Council of the League, in taking its decision, contemplated that 'Iraq might be admitted to the League a considerable time before the end of the twenty-five years' period suggested by the Frontier Commission and it is also clear that, when the new Anglo-'Iraq Treaty of the 13th of January, 1926, was communicated to them, they must have realized the possibility of His Majesty's Government pressing for the immediate admission of

* N.B.—The wording in Miscellaneous No. 20 (1925) is "that during 25 years of the régime," which is an obvious misprint.

'Iraq at the end of 1928 as a result of the first periodical "active consideration" of her circumstances promised in Article III of that Treaty. But it could be plausibly argued that the whole sense of the recommendations, both of the Frontier Commission and of the Committee of the Council on which the League based its frontier decision, was against so early a termination of the Mandate. The word "eventual" used by the Committee is a strong indication of this, since, as the context runs, it seems to have been intended to point to a comparatively late stage of the twenty-five years' period.

5. If a substantial body of opinion is inclined to this view, French views are likely to reinforce and uphold it. For, to judge from their present attitude in Middle Eastern affairs, they will dread the effect upon Syria of the raising of the status of 'Iraq and of its increased emancipation from control. I understand that now they usually meet Syrian complaints of the greater freedom of 'Iraq by denying it and allege that in reality British control there, though veiled, is as close as French control in Syria. They could hardly take this ground if 'Iraq were admitted to the League. Moreover, any release of 'Iraq from supervision will make her freer to indulge in her sympathy for the Syrians and, as the French will believe, to incite the Syrians to resistance. Again, if, as is probable, it becomes necessary to help 'Iraq for several years by allowing a British Air Force to remain there (this question will be subsequently discussed) and if, as is fairly certain, the various British officers who have long contracts under the 'Iraq Government continue to advise the 'Iraq Administration for at least five or six years beyond the Protocol period, the French may well feel that 'Iraq will in fact remain a mere satellite of Great Britain and that her admission to the League will swell the already large number of British votes. Thus it is hardly open to doubt that a British proposal to admit 'Iraq to the League about the end of 1928 will meet with a very critical and, from France at least, a hostile reception and that Great Britain must be prepared, if she is to press for admission, to put forward an overwhelmingly strong case in its favour and in favour of the release of 'Iraq from the status of a mandated territory to which category the League still holds her to belong. In the immediately following paragraphs I shall inquire whether such a case can be made out.

B. Qualifications of 'Iraq for Admission.

6. The first qualification for admission to the League appears to be release from the Mandate. Article XXII of the Covenant affirms the condition of release to be that the "Community" shall be "able to stand alone" without "the rendering of administrative advice and assistance by a Mandatory." If, as I have already said to be probable, Great Britain at the request of 'Iraq continues after the Protocol period to maintain an Air Force in her territory, the opponents of her admission to the League may argue that this is proof that she cannot "stand alone." I submit that this would be a misinterpretation of the Article. The stress, as I understand it, lies upon the word "administrative"; and if a community, though militarily too weak to secure entirely by herself internal order or external defence, is yet sufficiently advanced in applying the principles of civilized administration to be able to direct her internal affairs without official advice from outside, the fact that she receives military help should not necessarily prevent her from being allowed to quit the class of mandated territories. The position of 'Iraq would indeed be very similar to that of the Papal States between 1849 and 1870 with a French garrison maintained in Rome at the request of the sovereign Pope, and somewhat similar to that of Haiti and Cuba, which are members of the League. Haiti, I understand, became by the Treaty of November, 1915, a virtual protectorate of the United States of America, which maintain there an armed constabulary under American officers and a High Commissioner, while Cuba, by the Treaty of 1901, gave permanent rights of intervention to the United States of America and also granted to them the use of portions of its territory as Naval Stations. On the other hand, the position of 'Iraq would not be similar to the present position of Egypt, since the British garrison in Egypt is not kept there at the request of the Egyptian Government but at the will of Great Britain; nor perhaps would it be precisely similar to that of Panama which, in spite of its complete dependence on the United States of America, is, like Haiti, a member of the League.

7. Other qualifications for admission to the League appear to be the possession of fixed frontiers, stability of administration and the enjoyment of "full self-government" (vide Article 1 of the Covenant). As to the frontiers of 'Iraq, they

are fixed by Treaty between her and all her neighbours, but delimitation of the Turco-'Iraq and Syrian-'Iraq frontiers has not yet been completed. There have also been some hints from Teheran that the Persian Government are preparing to maintain that the Turco-Persian frontier delimitation of 1913-14 is not final, because not ratified by the Persian Parliament. Other countries without completely delimited frontiers are, however, members of the League. One instance is Lithuania, the frontiers of which with Poland is still under dispute. Another is Persia, whose frontier with Afghanistan in the neighbourhood of Hashtadan has never been settled.

8. As to stability of administration, it would be easy to show that 'Iraq is at least as stable as China, Portugal, Greece or Abyssinia. It is true that the Frontier Commission Report already quoted threw doubt upon her stability, if prematurely released from British tutelage; but the period which has elapsed since the signature of the Turco-'Iraq Treaty and the settlement of the frontier has shown that it was mainly the uncertainty as to their future up to the time of the League's decision which troubled the minds of the population and made them unstable. There is now no trace of pro-Turkish feeling in the country, least of all on the borders, where the ferocious treatment of the Kurds by the Turks and their hostility towards the Mohammedan faith has alienated all their former friends. When the Commission made its pronouncement, the Turkish anti-Kurd drive was only beginning. A year later, when all its implications were understood in 'Iraq, General Laidoner reported a firmer attachement of the people to the 'Iraq Government, and, if the Commission were now to revisit the country, they would, I believe, find that the prospect of stability in 'Iraq, even without official British administrative supervision, is at least equal to that in Turkey, where all seems to depend upon the life of a dictator. It is true that, as I shall show later, the complete cessation of consultation with Great Britain in foreign affairs and the complete withdrawal of the British Air Force would be very dangerous to the State; but even so it might be no worse than China or Greece, and, as I shall also show, it might be arranged that consultation on foreign affairs shall continue and that the British Air Force shall not completely withdraw.

8A. As to the enjoyment of full self-government, I need only cite again the status of Cuba, Haiti and Panama, which are all three specially attached to a Foreign Power and permit the stationing of its forces in their territory, but which are nevertheless members of the League. The status of 'Iraq, if she were to covenant for the retention of a British Air Force in her territory, would in fact closely resemble that of Cuba.

C. Consequences to 'Iraq of Admission to League.

9. I have so far discussed what may be called the technical qualifications of 'Iraq for membership of the League and have attempted to estimate the opposition to her early admission. But, if her technical qualifications were admitted and opposition were overcome, her membership would *ipso facto* entail the termination of the present Anglo-'Iraq Treaty and Agreements, and she would then be confronted with the necessity of making with Great Britain a new treaty either of ordinary friendship, under which she would trust to the League or to alliance with some Power other than the British, in addition to her own small forces, to secure her from foreign aggression, or of specially close friendship, under which she would lean primarily on Great Britain for advice and support. I will now examine these alternatives.

10. If 'Iraq were to make with Great Britain a new treaty of ordinary friendship, she would deprive herself of our special advice and support in (*a*) foreign relations, (*b*) the judicial treatment of offences and suits by foreigners, (*c*) internal security and external defence and (*d*) finance and fiscal administration, but she would still enjoy the benefit of the advice of the British officers who have received long term contracts and who would continue to serve her under Article XVI of the Financial Agreement and Article 4 of the British Officials Agreement, unless dismissed and compensated under Rule 11 of Schedule III of that Agreement.

D. Result on her Foreign Relations.

11. In the matter of foreign relations 'Iraq is chiefly concerned with her limitrophe neighbours, Nejd cum the Hejaz, Transjordania, Syria, Turkey and Persia, and she is more remotely concerned with India and Russia, the former of

which has in 'Iraq many subjects in Government employ and sends thither a yearly increasing number of pilgrims, and the latter of which sends many pilgrims through 'Iraq to the Hejaz. Russia is also more and more inclined to intrigue in 'Iraq from the basis of her consulates at Tabriz, Kermanshah and Ahwaz. Apart from these Powers, 'Iraq is liable to find herself at any moment involved in discussions with other nations resulting from the passage of civil aeroplanes over her territory, which is an almost inevitable corridor for air-journeys between the continent of Europe and Southern Asia or the Antipodes, and from the establishment of the Turkish Petroleum Company with British, French, American and Dutch interests. It is a regrettable fact that the present relations of 'Iraq with Nejd, Syria and Persia can barely be described even as correct and, were it not for the restraint which I have exercised upon her policy under instructions from His Majesty's Government, she would almost certainly have come into conflict with one or other of them. For so long as King Faisal remains King of 'Iraq and the French remain in Syria, the causes of disagreement with Nejd and Syria will be permanent, while disagreement with Persia springs from much more secular causes which it would take too long to examine. If 'Iraq were free from all obligation to consult Great Britain, I cannot doubt that she would soon fall out with one or other of these three neighbours, with results possibly fatal to herself and certainly very agitating to the League of Nations. She has no trained diplomatists and no practice in foreign affairs, but this only confirms her in the temerity of ignorance. She might indeed consult with some other Power such as Germany with whom, without a specially close treaty of friendship with Great Britain, she would be free to make an alliance.

E. Result on Question of Revival of Capitulations.

12. In the matter of the judicial treatment of offences and suits by foreigners, the decision of the Council of the League made on the 27th of September, 1924, laid down that "the privileges and immunities including the benefits of consular jurisdiction and protection formerly enjoyed by capitulation or usage in the Ottoman Empire, will not be required for the protection of foreigners in 'Iraq so long as the (Anglo-'Iraq) Treaty of Alliance is in force" and the United States of America are, so far as is known, disposed to follow this lead, although they have not yet recognized 'Iraq or made a Treaty for that purpose. 'Iraq has always been much concerned over the possible renewal of the capitulations and in the course of the negotiations over the Agreements subsidiary to the Treaty she obtained from His Majesty's Government the following pledges:—

(1) "His Majesty's Government will be prepared upon the expiry of the Treaty, subject to the satisfactory conclusion of the fresh agreement referred to in the second clause of the Protocol to the Treaty of Alliance, to afford their support to the 'Iraq Government in obtaining all such modifications provided in the Judicial Agreement as may appear justified in the circumstances, as they then exist."

(2) "If the 'Iraq Government continue to pursue an enlightened economic and fiscal policy, Great Britain will not insist upon the revival of the economic capitulations for herself at the conclusion of the Treaty period and will support the 'Iraq Government in resisting their revival in favour of other Powers, Great Britain would, however, require to receive most-favoured-nation treatment."

Until the termination of the Treaty, the Judicial Agreement which was specifically made "in consequence of the non-application of" the capitulations, will prevent the question from arising, but on its termination this question must be faced and it is probable that, however much the British Government may, in accordance with the pledge set forth above, oppose the reimposition of the capitulations, France, the United States of America, and Italy at all events will insist on their reimposition, unless the Judicial Agreement is continued in something like its present form. Indeed, the French Consul in 'Iraq, in a recent conversation with the Adviser to the Ministry of Justice, said that, in the view of Frenchmen, the termination of the Anglo-'Iraq Treaty would *ipso facto* revive the capitulations and that on the admission of 'Iraq to the League his consular court would forthwith come into operation. 'Iraq would, I believe, make great sacrifices to avoid this eventuality. She might attempt to avoid it by inviting some other Power such as Germany to lend her judges and magistrates for the purpose of making her judicial administration acceptable to Europe and America. But it is improbable that France or Italy would accept

this or any similar substitution. Again, she might accept the institution of Mixed Tribunals, but the troubles which these have brought upon Egypt would probably deter her.

F. Result on Questions of Internal Security and External Defence.

13. In the matter of internal security and external defence, I have frequently expressed the view, which I believe His Majesty's Government now accepts, that 'Iraq cannot either control her Arab and Kurdish tribes or defend herself without an Air Force, however efficient may become the comparatively small ground forces which she can afford to maintain. The Arab tribes are growing more amenable, but among the Southern Kurds anti-Arab sentiment is still strong and the only instrument of control within the means of 'Iraq is an Air Force. There is now no time before the end of 1928 to create an 'Iraqi Air Force; a British or Foreign mercenary Air Force might perhaps be still constituted in time. But the initial cost of the installation either of an 'Iraqi Air Force or of a British or Foreign mercenary Air Force would be beyond the financial strength of 'Iraq. Without an Air Force in the background, the tribes would slowly cease to pay revenue, the civil administration would crumble down, and the security of established foreign interests such as the Turkish Petroleum Company would be threatened even if 'Iraq continued to follow the good advice of the British officers still serving her under long term contracts. I have shown that at the same time, if freed from the necessity of consultation with Great Britain on foreign affairs, she would probably be embroiled with certain of her neighbours and a combination of external hostility and internal disintegration would make for a catastrophe. From this she might save herself by recourse to an alliance with some such Power as Germany, who would, I think, be least repugnant to her. If Germany were willing to supply her with a mercenary Air Force on easy terms, spreading the initial cost over a number of years, she would, I think, be forced to accept the offer and, in view of the former ambitions of Germany in 'Iraq and of German's renewed yearnings for penetration of subtropical and tropical countries, I cannot doubt that the offer would be made.

G. Result in questions of Finance.

14. In the matter of finance and fiscal administration the result of the termination of the present Treaty and of the substitution of a mere Treaty of friendship would probably not be so great. British advisers would remain until the conclusion of their contracts and, when this came, 'Iraq might well follow the example of Siam and trust to British financial and revenue advisers. In such matters she will, I think, be for a long time willing to take British advice and the more readily, if it is not forced upon her.

H. General Results of Admission without Treaty of Specially Close Friendship with Great Britain.

15. My conclusion is that if on entry into the League and the termination of her present relations with Great Britain 'Iraq were to make only an ordinary Treaty of friendship with Great Britain, she would shortly find herself confronted with such difficulties in relation, at least, to France in Syria, and to Nejd and Persia, combined with internal disorder threatening established foreign interests, that she would be compelled to turn to some other Power, probably Germany, for advice in foreign affairs and for a mercenary Air Force; but that even this would not save her from the probable necessity of submitting to a revival of the Judicial Capitulations, or to the institution of Mixed Tribunals, a prospect most abhorrent to her, especially as large numbers of foreigners will by the end of 1928 be established within her boundaries in connexion with the Turkish Petroleum Company and the Anglo-Persian Oil Company concessions.

I. Alternative of Treaty of Close Friendship with Great Britain.

16. The second alternative which I set out to examine was that of a Treaty of specially close friendship with Great Britain, the terms of which would not so far deprive 'Iraq of independence as to disqualify her from membership of the League. It goes without saying that what she would like would be a Treaty of Defensive Alliance containing terms which would leave her almost untrammelled both in foreign and domestic policy. But it is evident that she could not expect this. In order to secure membership of the League, a continued suspension of the capitulations and

the continued help of the British Air Force, she would, I believe, accept a much less ambitious programme, including a practical renewal of the British Officers and Judicial Agreements and a modification of the Military Agreement, which would, however, retain the all-important Article VIII, the last sentence of which reads as follows :—

> "The 'Iraq Government shall not be entitled to the assistance of any forces maintained or controlled by His Britannic Majesty's Government against or for the suppression of any external aggression or any civil disturbance or armed rising which shall, in the opinion of the High Commissioner, have been provoked or occasioned by action taken or policy pursued by the 'Iraq Government contrary to the advice or express wishes of His Britannic Majesty's Government."

It is this Article which even now secures to the British Government the real control of the foreign relations and domestic policy of 'Iraq. Article II of the Military Agreement could be modified by confining the assistance of the British Government to the stationing in 'Iraq of an Air Force only. There would be various other modifications in the Military Agreement necessitated by the disappearance of British ground forces and levies, and Articles XI, XIV and XV of the Financial Agreement, with some slight changes, could be tacked on to the Military Agreement. The rest of the existing Financial Agreement need not be formally renewed, since the financial obligations of the 'Iraq Government under Articles V to XI of that Agreement continue in force by virtue of Article XII, notwithstanding the termination of the Treaty of Alliance. (The validity of Articles V to VII has already disappeared.) This sketch does not of course purport to be a complete exposition of the possible provisions of a Treaty of specially close friendship with Great Britain, but details could be rapidly worked out if the principle were accepted. It is probable that 'Iraq would stipulate that a limit, say, of five years, should be set to the retention of the British Air Force in 'Iraq and that in the meanwhile the British should train an 'Iraqi Air Force to take its place. If some such suggestion were made, it would seem wise, in pursuit of an opportunist policy, to accept it. By 1933 many doubts are likely to be solved We should know by then whether the oil industry is likely to be permanent and whether an air route through 'Iraq is essential to our interests. If it is worth our while we can then make new arrangements for a longer connexion with 'Iraq.

K. Possibility of Treaty with Some Other Power.

17. It may be objected that such a renewal of many of her existing obligations to Great Britain would obviously not prove sufficiently attractive to 'Iraq, and that she would enjoy greater freedom in Treaty with some other Power, which might, as I have already indicated, be willing to lend help in the shape of a mercenary Air Force, without so many stipulations. But this argument ignores the vital point of the capitulations. If my conjecture stated at the end of paragraph 12 is correct, there is no Power likely to enter into alliance with 'Iraq whose nationals would be accepted by other European Powers, as the British judges are at present accepted, as sole judges in the criminal and civil suits of their nationals. Therefore, except by a renewed alliance of some kind with Great Britain, 'Iraq cannot escape from the capitulations, or from mixed tribunals, and to secure such an escape she would sacrifice much. It may, however, be still further asked why 'Iraq should not make a Treaty with a Power like Germany to secure a German mercenary Air Force on easy terms, and at the same time employ British judicial officers with security of tenure and assured powers of judicial control, which would satisfy European Powers as to the prospects of justice for their nationals and stave off the capitulations Or why should she not imitate Siam, which has an American Adviser in Foreign Affairs, British Financial and Judicial Advisers, a French Legislative Adviser, Legal Advisers of various nationalities for the International Court and a Provincial Gendarmerie under Danish Advisory Officers. My answer is that I do not think that 'Iraq is at present disposed to have such a *macédoine* of foreign advisers and helpers. She knows and trusts the British and especially the British Air Force, and it would, I believe, be only the imposition of onerous conditions for the grant of British help which would drive her to the other alternative. It would be essential, of course, that there should be no appearance of 'Iraq consenting to allow a British Air Force to remain in 'Iraq as a concession to Great Britain It must be emphasized that the concession would be on the part of Great Britain and at the instance of 'Iraq.

L. Reasons why Things cannot stay as they are.

18. Having thus examined both the qualifications of 'Iraq for admission to the League and the possible consequences of her admission, I shall next inquire whether the easiest and best plan would not be to let things be as they are and to announce to 'Iraq on the first "active consideration" of her circumstances in 1928 that Great Britain does not consider it possible to press for her admission. The present Treaty and Agreements could then remain in force with some slight modifications and the Military Agreement might be changed, so as to permit the retention in 'Iraq, after the Protocol period, of a British Air Force comparatively small and cheap, but big enough to dominate the tribes. There is on the surface much to be said for this plan. 'Iraq seems at the moment quieter and more contented than she has ever been perhaps since Sumerian times; her new Parliamentary Constitution is working well; her finances are improving; a spirit of complete unity reigns between her native officials and their British Advisers; the King and his Ministers regard the High Commissioner more as a colleague than a mentor; the voices of the extreme nationalists are hushed and the whole nation recalls with lively gratitude the stand taken by the British Government against Turkish pretensions. A large body of solid opinion is forming in favour of *quieta non novere*. But the advocates of this course forget that the present contentment and gratitude of the politically minded 'Iraqis is due solely to their belief in the intention of Great Britain to carry them forward quickly to complete independence. They have seen that she has (unexpectedly to them) fulfilled her pledges hitherto. She has interfered little in their internal politics, has resisted Turkey, has helped them to form their Army and has gradually reduced her garrison and her civil officers. In not a single thing can they yet allege that she has fallen short. If now this rapid process of release from tutelage were checked and they suddenly lost the hope of early enfranchisement, I am convinced that the whole political atmosphere would change and that Great Britain would soon experience in 'Iraq the same dreary disillusionment which she has had to bear in India and Egypt. For the political classes do in truth count far more heavily in power for mischief than do the solid classes in power for tranquillity. In no long time the students would be striking and parading, the King and his Ministers suspicious and intriguing against us, the lawyers, as in the anti-Treaty agitation of 1924, plotting assassinations, and the 'Iraq troops, the only forces left to guard our aerodromes, wavering. We should then have either to evacuate altogether or to bring back our troops and govern, whether with or without an Arab façade, a sullen people. We should have to abandon the hope expressed in the official letter addressed to all British Advisers that "The basic principle underlying the relations between the two Governments is co-operation towards a common end, namely, the establishment of an independent Government of 'Iraq, friendly to and bound by gratitude and obligation to His Britannic Majesty's Government." So true is it, that whosoever will save his political influence shall lose it, but whosoever will lose his political influence for the sake of right dealing. the same shall save it. Thus, if Russia after her liberation of Bulgaria had kept to the liberal principles of the Treaty of San Stefano and had not struggled against the cry of "Bulgaria for the Bulgarians," she would almost certainly have retained the affection of the Bulgarians and would have been spared the discreditable struggle which led to the abduction of Prince Alexander and the subsequent assassination of Stamboloff. If Napoleon III in return for the liberation of Italy had not bargained for the cession of Savoy and had not sought to gain influence in the Catholic World by maintaining the Pope on his secular throne, Italy would probably now have been as firm a friend of France as she is of England; and if Great Britain had not, after helping to liberate Greece, ceded to her the Ionian Islands, she would have suffered the same eclipse of her influence in Greece as France has in Italy. Coming to more recent times if Great Britain had during the War withdrawn her troops from Persia, as soon as Russia withdrew hers, and had not attempted to establish a virtual protectorate over her by the abortive Treaty of August, 1919, it is fairly certain that Persia would now be our devoted friend and, as far as she dared, would proclaim it. To you, Sir, who have shown at the recent Imperial Conference that you hold that the loosening of apparent bonds to be the tightening of real ones, these reflections will come as a truism. The more we show ourselves disposed to withdraw from 'Iraq and to foster her advance to real independence, the greater and more permanent will be our influence in that country. I am persuaded, then, that the best

way to secure peace and prosperity in 'Iraq and her attachment to Great Britain is for us to press for her admission to the League at the earliest moment and to do our best by such help as we can afford in the shape of the retention of an Air Force and discreet advice in foreign and internal affairs to mitigate the political difficulties which such admission may entail, retaining only the minimum control which is necessary to prevent 'Iraq from embroiling herself with her neighbours or antagonizing the more difficult sections of her population. This end I submit that we could attain by the measures which I have sketched out in paragraph 16 of this despatch.

19. I must also submit that, apart from the general considerations which I have advanced above and apart from the provisions of the Treaty of January, 1926, Great Britain appears to have bound herself by a definite pledge to apply without delay for the admission of 'Iraq to the League. For at the end of the serious political crisis of September, 1922, caused by the dislike of the political classes to the British Mandate, your predecessor, Mr. Winston Churchill, sent to 'Iraq the following assurance which was published in Baghdad on the 12th of October, 1922, and was received as a charter defining the intentions of the British Government :—

> "His Britannic Majesty's Government, conscious of the deep obligations into which they entered towards 'Iraq, are convinced that these obligations will be completely fulfilled by means of the Treaty of Alliance which has been signed on behalf of His Britannic Majesty and of His Majesty the King of 'Iraq. They will do everything in their power to speed delimitation of the frontiers of 'Iraq, in order that 'Iraq may be in a position, when Treaty and subsidiary agreements therein provided for have been duly ratified and the Organic Law has been brought into effect, to apply for admission to membership of the League of Nations.
>
> They confidently look forward to this application being made as soon as the frontiers are settled and a stable Government set up in accordance with the Organic Law, when they will use their good offices, provided that effect is being given to the provisions of the Treaty, to secure the admission of 'Iraq to membership of the League, as provided for in Article 6 thereof, which affords, in their opinion, the sole means by which mandatory relations can legally be terminated."

The conditions set forth in this assurance have all been fulfilled or will have been fulfilled by the end of 1928. The frontiers have been settled by Treaty and are in the course of delimitation. A stable Government has been set up in accordance with the Organic Law and effect is being given to the provisions of the Anglo-'Iraq Treaty. Any delay in applying to the League would be regarded as an undoubted breach of this assurance.

M. Best Method of Presenting our Conclusions to 'Iraq.

20. If my contentions are accepted that (*a*) 'Iraq is qualified to enter the League and (*b*) that our good faith and her and our true interests require us to press for her admission, but (*c*) that she will have to meet consequent difficulties unless she obviates them by the renewal of certain of the existing Treaty conditions, it remains to discover what should be our method of presenting this view for her consideration. I suggest that we should explain frankly to the 'Iraq Government the difficulties which I have set forth in paragraphs 10 to 15 of this despatch as likely to ensue upon her admission to the League, unless she simultaneously makes a new Treaty with us of close friendship (without, of course, hinting at the possibility of an arrangement between herself and one or more other Powers, which may only too readily present itself to her imagination). We should then give her the free choice of either entering the League without special arrangements with us and in reliance on the power of the League of Nations to protect her, or of entering it after making with us a new Treaty on the lines which I have sketched in the first part of paragraph 16 of this despatch. If, as I think unlikely, she chose the first course and, adopting the policy of Siam, sought to interest a diversity of Powers in her fate, we should certainly feel chagrined, but could wash our hands of her, in confidence that she would long hold us in grateful and affectionate remembrance. If, as I think more probable, she chose the second course, we should then enjoy the benefits of her unforced adherence to us and of a very commanding position in the East for the development of our air communications and it would be the task of His Majesty's Government to persuade the British nation that the retention of a small Air Force

in 'Iraq at a cost which, I suppose, need not exceed three-quarters of a million pounds a year, would be worth while. It should not be difficult to show that the Royal Air Force needs stations in the East similar to the stations of the Royal Navy at Gibraltar, Malta and Aden and that if, by arrangement with 'Iraq, we can cheaply secure air stations in that country, without involving ourselves in serious commitments, this will be an advantage and not a burden to us.

N. Effect on Egypt of Admission of 'Iraq to League.

21. I have left to the last the consideration of the effect on our relations with Egypt of the entry of 'Iraq into the League of Nations at our instance. With this question I am scarcely competent to deal. I am aware, however, that His Majesty's Government are not at present inclined to favour the admission of Egypt to the League and that the admission of 'Iraq would probably weaken their hands in resisting the request of Egypt for admission, or might at least prove a grave embarrassment. On this point I submit that there is a choice of evils. I am sure, as I have foreshadowed in paragraph 18 of this despatch, that delay in pressing for the admission of 'Iraq would tend to reproduce in that country the present conditions in Egypt. If this forecast is correct, the only effect of our refusing to advocate the admission of 'Iraq for fear that this would excite the envy of Egypt, would be that we should have two Egypts instead of one on our hands.

Summary.

22. I have now attempted to prove the following points :—

(1) There may be considerable opposition in the League of Nations to the admission of 'Iraq to the League on the ground of the statement of the Frontier Commission that British tutelage must continue for a long period, and there may be strong French opposition on other grounds.

(2) Therefore if Great Britain decides to press for the admission of 'Iraq, she must be prepared to bring forward strong arguments in her favour.

(3) Great Britain can easily show that any apparent disqualifications for membership of the League from which 'Iraq suffers are common to other countries which are already members and she should be able to overcome opposition on these grounds.

(4) She can also show that the Frontier Commission report is now out of date and that 'Iraq has made great advances in stability since it was written.

(5) But before Great Britain decides to press for her admission, the results to 'Iraq of admission and of termination of the present Anglo-'Iraq Treaty must be fully considered.

(6) 'Iraq will have the choice either of making an ordinary Treaty of friendship with Great Britain and trusting to the League for her defence, or of making an alliance with a third Power, or of making a Treaty of specially close friendship with Great Britain, the terms of which will not be such as to disqualify her for membership of the League.

(7) 'Iraq is unlikely, unless forced to do so by our onerous conditions, to choose either of the first two of these three courses, because of the difficulties of her relations with her neighbours, her inability to defend herself or maintain internal security without an Air Force, doubt as to whether recourse to any other Power than Great Britain would save her from the renewal of the capitulations and genuine preference for Great Britain.

(8) Conditions of a Treaty of specially close friendship with Great Britain which 'Iraq would be likely to accept and to ask for would be the stationing for some years in 'Iraq of a comparatively small and cheap British Air Force and a promise to train up an 'Iraqi Air Force during that period, a renewal of the portions of the Military and Financial Agreements necessary for its maintenance there, including especially the power of refusal to lend its aid unless the policy of 'Iraq conforms to our wishes, and the renewal of the Judicial Agreement relating to suits by or against foreigners

(9) Things cannot stay as they are, the admission of 'Iraq to the League being deferred, because the present quiet and contentment is due mainly to the confidence of 'Iraqis that we shall press for her early admission. The politically-minded classes, including the King, would be alienated if we now decided not so to press, and difficulties similar to those which we have had in India and Egypt would appear in 'Iraq. Moreover, we are bound by our declaration of October, 1922, to apply without further delay for the admission of 'Iraq.

(10) Therefore the good faith of Great Britain and the best interests of Great Britain and 'Iraq require us to press for the admission of 'Iraq and to make a Treaty of specially close friendship with her, if she so wishes.

(11) The best way of presenting these conclusions to 'Iraq will be to explain to her the difficulties likely to follow upon her admission to the League and to give her the choice of her policy.

(12) If she chooses to stand by herself, trusting only to the good offices of the League, or to make an alliance with a third Power or to try an amalgam of foreign advisers all of which courses seem unlikely, we should make our bow and depart. But if she asks for a Treaty of close friendship with us, we should give it on the lines already sketched.

(13) Possible objections of His Majesty's Government to the foregoing policy on account of its effect on Egypt are answered by the fact that to defer our application for the admission of 'Iraq would merely result in our having two Egypts on our hands instead of one.

I have, &c.,
H. DOBBS,
High Commissioner.

C. 40299/27 [No. 6]

No. 3.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 4th April, 1927.)

[*Answered by No.* 14.]

(Secret "B.")

SIR, The Residency, Baghdad, 24th March, 1927.

I HAVE the honour to refer to your telegram No. 78 dated the 7th of March, 1927,* in which I was directed to acquaint the 'Iraq Government with the decision of His Britannic Majesty's Government as to the military policy which they recommend should be followed in 'Iraq and to the enclosures forwarded under my despatch Secret "B" dated the 18th of March, 1927.†

2. His Majesty King Faisal and the Prime Minister, after consideration of my letter, asked me to discuss the whole question with them, and I now submit a memorandum summarizing the discussion in the form agreed to by His Majesty. I also submit memoranda of further discussions, the second of which was attended by Sir John Shuckburgh after he had familiarized himself with the conversations which had already taken place.

3. It will be seen that His Majesty is pressing for the issue at a very early date of a public declaration by His Britannic Majesty's Government of their intentions with regard to the entry of 'Iraq into the League of Nations and with regard to a new Treaty between 'Iraq and Great Britain. I attach a draft of a declaration which Sir John Shuckburgh and I think might possibly be acceptable to His Britannic Majesty's Government. I have not elaborated arguments on the subject, since there is no time to do so before the despatch of the weekly mail; but I think it important that you should know at once the attitude of the King and the Prime Minister.

I have, &c.,
H. DOBBS,
High Commissioner.

Enclosure 1 in No. 3.

NOTE OF CONVERSATION WITH HIS MAJESTY KING FAISAL AND HIS EXCELLENCY THE PRIME MINISTER OF 'IRAQ IN THE PRESENCE OF MR. CORNWALLIS ON THE 17TH MARCH, 1927, REGARDING THE FUTURE MILITARY POLICY OF 'IRAQ.

(1) HIS Majesty said that he wished to speak unofficially and privately on certain doubts and difficulties which had presented themselves to him in connexion

* C. 40104/27 [No. 40]: not printed. † C. 40104/27 [No. 60]: not printed.

with my letter of the 13th March, 1927, to the Prime Minister. He had himself not realized before and the 'Iraq nation had not realized, that His Majesty's Government had seriously contemplated that 'Iraq should at the end of 1928 assume sole responsibility for external defence and internal security, while at the same time she might, unless she entered the League of Nations earlier, be bound for 25 years by the obligations of the Anglo-'Iraq Treaties of January, 1926, and October, 1922, and the subsidiary Agreements. The making of a new Military Agreement, as suggested by the British Government, in which 'Iraq was to recognize again this sole responsibility for defence and was also to recognize in principle that she must pay for the extra cost of stationing British Air Forces in her territory, would, unless Great Britain at the same time made a clear promise that she would propose admittance of 'Iraq to the League in 1928, bring the inconsistency of this arrangement prominently before the 'Iraq Parliament and Nation and they would raise great objections and difficulties. For it was obvious that political responsibility could not be separated from responsibility for internal order and defence. When once 'Iraq assumed the whole burden of her own defence and security, she could not be expected to accept officially the advice and interference of the High Commissioner in her affairs as she now did. The new Military Agreement suggested by the British Government was, His Majesty said, to have reference to the period after 1928, not to the present time; and it could not be considered separately, but must be considered in connexion with the whole Treaty position contemplated for the period after 1928. It would be impossible for the 'Iraq Government to go before Parliament and the Nation and say "We have accepted sole responsibility for our defence and security after 1928 and have agreed that we ought to pay for the local cost of any British units which may be stationed in our country; but we cannot tell you when you will receive the status of an independent nation by entry into the League or whether you will be free from the obligations of the Treaty before the lapse of 25 years." The 'Iraq Government could not possibly announce to the public that they had actually asked that British Forces should remain in 'Iraq after 1928 on these conditions. The whole nation had hitherto believed that the period of the obligations under the old Treaty would coincide with the period of dependence on Great Britain for military support and that when the latter ceased, so would the former cease simultaneously.

(2) I pointed out to His Majesty that Mr. Bourdillon, when Acting High Commissioner, had fully explained the position in his Secret letter No. P.O. 5 dated the 9th January, 1926, to the late Prime Minister, Abdul Muhsin Beg, four days before the signature of the new Treaty of 13th January, 1926. In that letter (of which His Majesty had a copy) Mr. Bourdillon said that in the new Treaty the principle was maintained that the 'Iraq Government should as soon as possible, and in any case not later than four years from the date of the signature of the Military and Financial Agreements (i.e., not later than March, 1928) accept full military and financial responsibility for the preservation of internal order and the defence of 'Iraq from foreign aggression. The letter added "This does not of course preclude His Britannic Majesty's Government from deciding at the end of that period, with the approval of Parliament, to continue some measure of assistance to 'Iraq, either by maintaining British troops in 'Iraq or by giving financial assistance towards the cost of the 'Iraq forces for such further period as may be necessary in order to ensure the rapid admission of 'Iraq to the League of Nations." Thus my letter of the 13th March, 1927, had not suggested anything new, except for the point that 'Iraq was now asked to accept the principle that she should pay Great Britain for the extra cost of stationing British units in 'Iraq. In view of Mr. Bourdillon's letter of January, 1926, which I had quoted, I said that I should have expected His Majesty and the Cabinet to be fully aware that, although 'Iraq had accepted full responsibility for her defence after 1928, she had also accepted the obligations of the Treaty for 25 years, unless before the end of that period she entered the League of Nations.

(3) His Majesty admitted that Mr. Bourdillon's letter was clear and he said he regretted very much that the position had not been made plain at the time to Parliament and the Nation. But, as this had not been done, the 'Iraq Government would be placed in an exceedingly difficult position if they had to explain it now. Moreover, Major Hubert Young had come to see him in London when he was ill in 1925 and had assured him that the period of twenty-five years had been inserted in the new Treaty only for the purpose of satisfying the League of Nations with reference to the recommendations of the the Frontier Commission regarding Mosul. Major

Young had told His Majesty that it was the intention of Great Britain to secure the admission of 'Iraq to the League of Nations at the end of 1928. If an assurance could now be given that Great Britain would press the League to admit 'Iraq at the end of 1928, and that this would not be effected by the retention of British Air forces in 'Iraq, the whole situation would be greatly eased.

(4) I then told His Majesty that it was at my special instance that the British Government had discussed now the question whether it would be possible, if 'Iraq required it, to leave a British Air Force in 'Iraq after 1928. I had pointed out to the British Government, I said, that it was impossible for 'Iraq to lay down the lines of her military policy without knowing something definite on this vital point, and Mr. Vernon had made the same comment in a note which he had written to the Minister of Finance. His Britannic Majesty's Government had thus understood that it was necessary from the point of view of 'Iraq that an arrangement should be reached without delay on this point. But if the whole Treaty were to be reconsidered now and not only the Military Agreement, and 'Iraq were to defer consideration of the retention of the British Air Force until all her future relations with Great Britain after 1928 were settled, I feared there would be grave delay. Judging from the duration of the discussions on the first Treaty and subsidiary agreements, I thought the discussions on the Treaty to be signed after 1928 might take at least a year; and for all that time the question of the retention of the British Air Force would not be settled, so that no definite military policy could be laid down. Moreover, I feared that the British Government might say that it would be premature now, early in 1927, to discuss whether they would at the end of 1928 press for the admission of 'Iraq to the League. Much might happen in 18 months to alter the situation. It had been contemplated in the 1926 Treaty that the Military and Financial Agreements should be revised immediately and our discussions upon the Military Agreement would merely be a fulfilment of the terms of that Treaty.

(5) His Majesty replied that he did not suggest that a decision about the retention of the British Air Force should be deferred until the discussions on a new Treaty and Agreements were complete. It would be quite enough if it could be known that the future relations of Great Britain and 'Iraq after 1928 were under active discussion and that it was anticipated that 'Iraq would at the end of 1928 enter the League without delay and make a Treaty of friendship on equal terms with Great Britain. If there were a reasonable assurance of this, the principle difficulties would disappear. The point was that without such an assurance the 'Iraq public would believe that 'Iraq had made a retrograde step on the path to independence by accepting the principle of responsibility for her defence, and simultaneously asking for the retention of British forces at her expense, yet receiving no assurance that she would be released from what was really the position of a mandatory state. The unhappy necessity in which 'Iraq found herself of continuing to depend on foreign support must be guided by an improvement in her national status or there would be an explosion of resentment against the 'Iraq Government.

(6) I then asked His Majesty to consider whether 'Iraq could really dispense with a British Air Force at the end of 1928. It was true, I said, that the schedule of expansion of the 'Iraq Army attached to the Military Agreement had laid down that in 1925-26 an 'Iraqi Air unit should be initiated, and the British Government had acordingly in 1926 offered to train 'Iraqi pilots and mechanics. But the finances of 'Iraq had not admitted of a real start being made. The Air Officer Commanding calculated that about 5 years would now be required for the training and formation of an 'Iraqi Air Force. As to the ground forces, the 'Iraq Government was only now engaged in working out a draft law for National Service, and during the period of transition from voluntary service to conscription the Army was bound to be weak; because it would probably lose many of the tribesmen who had enlisted under the voluntary system and would consist largely of townspeople who would enter the Army at the age of 19 and would be youths of little fighting value. It would take three or four years to make the reorganized Army into a useful fighting force. It seemed to me certain, I said, that, during these three or four years at all events, even if conscription were introduced at once and 'Iraq began forming an Air Force at once, she could not maintain internal security without the help of the British Air Force. That was on the supposition that the 'Iraq Government would seize the whole of the accumulated surplus for the purpose of building up an Air Force and would cease to spend anything on the development of the country. But the 'Iraq Government could not really do this, because there was still a possibility until

July, 1927, that the Turkish Government would demand the payment of £500,000 under the terms of the Angora Treaty and also there was the Ottoman Debt to be paid off. Whatever 'Iraq did, therefore, I said, I did not believe that she could get on for four or five years after 1928 without some British Air Force in the country. If I was right in this belief, surely we must face the facts and decide on what terms the retention of the Air Force could be arranged..

(7) His Majesty said that he believed the progress of 'Iraq had been so great that there would not be so much danger of tribal risings as was generally supposed. There might be scattered risings, but no organized tribal combination against the 'Iraq Government. Nevertheless, he admitted that it would hardly be safe to lay down a policy trusting to this. But he had expected that towards the end of 1928 the two Governments of 'Iraq and Great Britain would discuss their future treaty relations as equal and independent Powers and that a Treaty would be made guaranteeing British help in 'Iraq in case of necessity, but not placing 'Iraq in a subordinate or dependent position.

(8) I replied that I saw no reason why an arrangement for the retention of British Air Forces in 'Iraq for a time, in order to help her through a difficult period, should place her in a dependent position. I was personally convinced that it would not affect the question of her admission to the League of Nations, although I had no authority to state this. I should like to know, however, what had been His Majesty's idea of the kind of Treaty which would succeed the present Treaty and Agreements. Let us take the Agreements one by one.

(*a*) *The Judicial Agreement.*

It was certain, I said, that unless 'Iraq retain this Agreement, even after her admission to the League, certain Powers, notably France, America and Italy, would try to reimpose the capitulations. 'Iraq could only escape the danger of this by continuing the Judicial Agreement.

(*b*) *The British Officials Agreement.*

This was, I said, practically embodied in the contracts now given to British Officers; and 'Iraq was bound by Article IV of the Agreement to continue its obligations to British Officers after the termination of the Treaty of Alliance. There would be no need therefore to alter this Agreement. His Majesty said that, as the contracts of the British Officers repeated and embodied the Agreement, there would, he thought, be no need to repeat the Agreement at all.

(*c*) *The Military Agreement.*

The main clauses of the Military Agreement were concerned with the provision of facilities for such British forces as might be kept in the country to help 'Iraq and with the immunity of such forces from the jurisdiction of the 'Iraq Courts. Obviously such facilities and immunities would have to be continued, I said, in respect of any British force left in the country. The principal objection taken in the Constituent Assembly at the time of the discussion of the Agreement had been that 'Iraqis employed in the Levies enjoyed these facilities and immunities in the same way as if they had been British subjects. This objection would now disappear, since I assumed that there would no Levies left in 1928. Another important provision in the present Military Agreement was that contained in Article VIII, namely that the 'Iraq Government should not be entitled to the assistance of British forces against any external aggression or for the suppression of any civil disturbance or armed rising which would be shown to have been provoked by action taken or policy pursued contrary to the advice or wishes of the British Government. This would of course have to be retained, since Great Britain must reserve the right to prevent her forces being used as instruments of tyranny or misgovernment. His Majesty said that possibly the revised Military Agreement might provide that the 'Iraq Government should in the beginning have a small Air Force capable of being used in minor operations and should call upon the British Air Force for assistance only for more important operations.

(*d*) *The Financial Agreement.*

A large portion of this Agreement had, I said, already become obsolete, because the British Government had cancelled the debt due to it on account of works of public utility transferred to 'Iraq. The portion regarding the acquisition of fresh

lands for military purposes was also obsolete, as the British forces were being rapidly reduced. The important remaining clauses were those dealing with the future of the 'Iraq railways, the Port of Basrah and the payment of the Ottoman Debt. The question of the Railways would be disposed of, if not by consent, then by arbitration not later than March, 1928, under the terms of Article VIII. The articles relating to the Port of Basrah and the Ottoman Debt must evidently remain in force until the amounts due from 'Iraq in relation to them were paid off.

(e) The Main Treaty.

Most of the articles of the main Treaty had, I said, already been carried out and were embodied in the Agreements discussed above or in the Organic Law. There would probably be no object in their repetition in a new treaty as apart from the new agreements. They had been put into the old Treaty because that was drawn up before the passing of the Organic Law and the making of the Agreements. The most important point in the main Treaty was the obligation laid on the 'Iraq Government to be guided by the British Government's advice in matters affecting their international and financial obligations and interests and to consult the High Commissioner on financial policy. As a matter of fact, I said, I had never been obliged to invoke this provision of the Treaty, but had always found the 'Iraq Government willing to consult me both in financial matters and in other matters in which I could give help by advice. They did not always agree with my opinions and I did not think that I had ever insisted that they should agree, when I found them very anxious to follow another course. I thought it possible, then, that the retention after the conclusion of the Treaty of British Advisers in communication with the High Commissioner and the retention of the power to refuse the help of British forces for the purpose of the carrying out by 'Iraq of a mistaken policy, would give the High Commissioner all the necessary opportunities of offering his advice without the retention in a new Treaty of any formal obligation on 'Iraq to follow it. I was giving my personal opinion and not prejudicing any future discussion.

(9) On hearing these remarks on the possible future form of the agreements and Treaty, His Majesty said that he hoped that, if a discussion could be undertaken on these lines, there should be no great difficulty in coming to an understanding. I undertook to submit at the next audience a note summarizing the discussion, the audience then terminated.

H. D.

18th March, 1927.

Enclosure 2 in No. 3.

NOTE.

I PRESENTED to His Majesty to-day my Note of the discussions on Thursday last, 17th March, with a spare copy; and said I hoped His Majesty would let me know as soon as possible whether he had any amendments to make.

His Majesty said that he had now conceived the idea that the Conscription Bill should be deferred until a new Treaty and Agreements had been signed. I said that I was not at first sight in favour of this. Discussions of a new Treaty would take a long time and the question of conscription was urgent. Moreover it would be difficult, whatever might be the course of discussions, to sign a new Treaty before the end of 1928, because the League of Nations when they accepted the last Treaty of January, 1926, had been given to understand that it would only be terminated by the entry of 'Iraq into the League. If a new Treaty were negotiated, therefore, it could only be signed simultaneously with the entry of 'Iraq into the League and it would be difficult to arrange this, I thought, before the time fixed for consideration of the question in the Treaty of January, 1926, i.e., before the end of 1928.

His Majesty then said that he wished to go to England with me and discuss the Treaty with His Britannic Majesty's Government and King George. He felt that it would greatly enhance his prestige in 'Iraq if he could do this and bring back a Treaty as a gift from Great Britain obtained by his own exertions. It would be far better appreciated in 'Iraq than if the Treaty were arranged and signed in 'Iraq.

I said that I feared this would be difficult. In the first place I myself had

decided that it was my duty not to go home this summer, because the frontier delimitation was taking place and I anticipated that there would be a large number of troublesome and important questions arising in connexion with it. Further I had arranged that Mr. Bourdillon should go to Europe to appear before the Permanent Mandates Commission and I could not leave my office with no senior officer in charge.

In the second place, I said, it would evidently be necessary for the main discussions, if there were any, to take place here, because the 'Iraq Cabinet must be constantly consulted. The very most that I thought might be possible was that, when the discussions were concluded and everything ready for signature, His Majesty might go to England, if he were set on it, accompanied by a Minister and arrange for the actual signature to take place in England. But I could give no indication of what might be the attitude of His Britannic Majesty's Government to such a suggestion, when, if ever, the time came to make it.

Finally, I warned His Majesty that I feared a section of 'Iraq opinion was inclined to grow restive over his constant visits to Europe and that it would be much better that he should not go this year, if it could be avoided.

H. D.

19th March, 1927.

Enclosure 3 in No. 3.

CONVERSATION BETWEEN HIS MAJESTY KING FAISAL, THE HIGH COMMISSIONER, SIR JOHN SHUCKBURGH, JA'FAR PASHA THE PRIME MINISTER, AND MR. CORNWALLIS, ON THE 22ND MARCH, 1927.

HIS Majesty said that he had thought it well to take the opportunity of the presence of Sir John Shuckburgh in 'Iraq to explain his views to him and ascertain whether he would, on his return to England, be able to recommend to the Secretary of State a settlement of the relations between Great Britain and 'Iraq on the lines of the discussion which he had already had with the High Commissioner. Sir John Shuckburgh and the High Commissioner replied that they understood that what His Majesty was most anxious for was an early assurance from the British Government that, if 'Iraq continued to develop on the present lines and there were no serious set-back to her progress, they would press about August, 1928, for the entry of 'Iraq into the League of Nations.

The High Commissioner said that he was prepared to forward this proposal to the Secretary of State for the Colonies and Sir John Shuckburgh said that he personally saw no *prima facie* objection, although he wished to make it clear that he was not in a position to represent Mr. Amery's views on the subject nor had he had any instructions on the point from Mr. Amery before leaving.

His Majesty then asked what would be the situation if, in spite of the application of Great Britain for the entry of 'Iraq into the League, the League were to refuse admission. Sir John Shuckburgh said that he was unable to prophesy on a matter like that, but it seemed to him impossible that, in the long run, the League should refuse an application for admission, although there might be some delay for consideration.

His Majesty then explained that his chief anxiety was to facilitate the acceptance by the political classes and the 'Iraq Parliament of the Conscription Bill and the subsequent enforcement of conscription. It would be very much easier to get the Bill through Parliament, if the nation were assured of its rapid progress to independence and knew that the basis of its relations with Great Britain would in future be that of a treaty between two equal and independent nations. For that reason he was anxious to issue an announcement, before the introduction into the 'Iraq Parliament of the Conscription Bill, containing an assurance on two points:—

(1) That Great Britain would in or about August, 1928, apply for the admission of 'Iraq into the League of Nations if 'Iraq continued as at present and that she had every reason to hope that the League would admit 'Iraq to membership; and

(2) That Great Britain would, on the entry of 'Iraq into the League, make with her a new treaty on the basis of her independence.

(2) There was some discussion as to whether it would be possible for Great Britain to contemplate the making of a new treaty and agreements before the time

fixed in the Treaty of January, 1926, for the consideration of 'Iraq's entry into the League of Nations, viz., August, 1928. The High Commissioner and Sir John Shuckburgh said that, in their opinion, although it would by a strict interpretation of the Treaty of January, 1926, be open to the two governments to make a new treaty at any time, it would not be practicable or advisable to do so before August, 1928, since all the discussions about the relations between the two Powers, and about the responsibility of 'Iraq for her defence, and the like, had been based on the assumption that the present treaty relations would remain undisturbed at least until August, 1928.

His Majesty then said that he did not press for the completion of a new treaty before the entry of 'Iraq into the League of Nations, but he was anxious that discussions should be opened now and agreement reached upon the text of the new treaty and of any subsidiary agreements which might be necessary. These texts could be put aside and kept until Great Britain proposed the entry of 'Iraq into the the League. They could then be produced for the purpose of showing the League what it was intended the future relations of the two States should be, and could thereafter be finally signed and ratified. The High Commissioner and Sir John Shuckburgh said that they saw no *prima facie* objection to such a procedure.

(3) His Majesty again emphasized that he wished the question of an announcement to be settled early in order that Parliament could get on with the Conscription Bill. The High Commissioner said that he could undertake to send home at once, for the information of the British Government, a memorandum of the conversations which he had had with His Majesty and might be able to send home next week definite proposals for a declaration on the lines which His Majesty desired, but that this would then have to be considered by the British Government and it was unlikely that a reply could be received before six weeks at the earliest. As the ordinary session of the 'Iraq Parliament must end in the middle of April, there would not be time for the issue of a declaration such as His Majesty desired before the close of the session in the event of His Majesty's Government agreeing to such a declaration. Therefore, if the Conscription Bill was to be debated in the present session of the 'Iraq Parliament, a declaration could not be issued in time for the debates. His Majesty said that, in that case, he would prefer to put off the introduction of the Conscription Bill to an extraordinary session. The Prime Minister agreed that he would suggest this to the Council of Ministers.

(4) The High Commissioner then said that it seemed to him inevitable that, in the course of discussions on conscription, members of the 'Iraq Parliament would ask the 'Iraq Government whether the military policy of 'Iraq would be based on the retention of the British Air Force in 'Iraq for some time after 1928, and he suggested that the Cabinet should be prepared for such a question and should come to a definite decision as to what they should reply, after consultation, if necessary, with him. His Majesty said that he thought both the people and the 'Iraq Parliament would expect that the British Air Force would be retained in order to help 'Iraq during the time of military transition, and he did not think there would be any difficulties about this, but he agreed that the Cabinet should consult upon the reply to be made to a question of this nature.

The audience then terminated.

Enclosure 4 in No. 3.

DRAFT DECLARATION.

THE Government of 'Iraq being desirous of laying down at once its policy with regard to its military forces, so as to to enable it at an early date to assume full responsibility for internal security and defence against external aggression, and having to this end expressed a wish that His Britannic Majesty's Government should declare now the attitude which it will adopt when the time arrives under the terms of the Treaty of the 13th January, 1926, for considering whether it is possible to press for the admission of 'Iraq into the League of Nations, His Britannic Majesty's Government has authorized the High Commissioner to make the following declaration :—

(1) If 'Iraq continues to progress as at present and to maintain financial and political stability, His Britannic Majesty's Government will at the first meeting of

the League of Nations after August, 1928, support with all the arguments at its command an application by 'Iraq for admission into the League and will do its utmost to ensure that such application is favourably considered by the League.

(2) In order that the League of Nations may, when considering the application of 'Iraq for admission, be aware of the future relations between Great Britain and 'Iraq, His Britannic Majesty's Government undertakes to begin without delay negotiations with the Government of 'Iraq for a new Treaty which shall come into force with effect from the admission of 'Iraq into the League of Nations and which will be framed on the basis of recognition of the altered status of 'Iraq as a member of the League.

C. 40299/27 [No. 8]

No. 4.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 11th April, 1927.)

[*Answered by No.* 14.]

(Secret.)

SIR, The Residency, Baghdad, 31st March, 1927.

I HAVE the honour to invite a reference to my despatch Secret "B" dated the 24th of March, 1927,* with which I submitted records of conversations with His Majesty King Faisal on military policy, the entry of 'Iraq into the League of Nations and a declaration by His Britannic Majesty's Government as to their future policy in 'Iraq.

2. King Faisal has taken his stand on the thesis that he cannot induce the more advanced and ambitious 'Iraqi politicians to admit the dependence of 'Iraq upon British military help (mainly in the shape of a British Air Force) for some time after the termination of the "protocol period" in August, 1928, unless they receive assurances now that Great Britain will, so far as lies in her power, secure a conspicuous improvement in the national status of 'Iraq by arranging the entry of 'Iraq into the League and simultaneously making a revised Treaty which will lift her out of what is in practice the status of a mandated territory. I propose to examine in this despatch the motives and validity of King Faisal's pretensions.

3. The plain fact, I fear, is that the King is seeking to manœuvre His Britannic Majesty's Government into a position in which they will appear to be requesting permission from the 'Iraq Government to retain their Air Force in 'Iraq and will have to pay for this permission by getting 'Iraq into the League earlier than they would perhaps otherwise have thought wise and by releasing her from irksome obligations. My object, on the other hand, is to induce the 'Iraq Government to admit the truth that 'Iraq cannot maintain herself for some years without a British Air Force and to accept gratefully and without conditions the offer of His Britannic Majesty's Government to retain the Air Force in 'Iraq, so that she may, without further delay, settle her military policy on that basis. If the 'Iraq Government would admit this position, it would be possible to discuss the questions of the entry of 'Iraq into the League and the revision of the Treaty quite independently of military policy.

4. My chief difficulty in arguing with the King and with those who take their inspiration from him is that they do not believe that His Britannic Majesty's Government would now in any circumstances, after having made such a success of their connexion with 'Iraq and after having seen the beginning there of an enormous enterprise like that of the Turkish Petroleum Company, abandon her to her fate and watch chaos overtake her. They think, therefore, that they are quite safe in holding out for their bargain and the King is possessed with the idea that he must be the one to make the bargain and obtain the price, so that he may come forward as the benefactor of his country and strengthen his position. Were it not for this ambition on the part of the King, I doubt whether any of the difficulties which he affects to foresee would occur. The greater number of 'Iraqi politicians know well that they must for some years depend on British help and they do not, if left to themselves, resent the obligation to take British advice. The misfortune is that the King,

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* No. 3.

for the purpose of making his bargain, will not leave them to themselves and he has power to arouse an agitation which would rapidly pass out of his control. He fancies that he is more farseeing than the ordinary politician and that it is his duty to get for 'Iraq what he can out of the situation, a very natural ambition. Having once started the ball rolling, the King cannot, I think, go back, and the mischief (if it is mischief) is already done. No amount of plain speaking or logic will affect his mind and, unless it is imperatively necessary for reasons unknown to me to refuse his request for an assurance, I recommend that it should be given with as much good grace as is possible and with as little annoyance as may be at his vexatious and obvious tactics.

5. The decision hangs, of course, upon the question whether His Britannic Majesty's Government accept the conclusions that I advanced in my despatch Secret "C" dated the 24th of March, 1927,* as to the necessity for pressing at the end of 1928 for the admission of 'Iraq into the League of Nations. If they accept those conclusions, it follows that they must make a revised Treaty with 'Iraq to come into force at the end of 1928, and it is not too early to begin now, as the King desires, an active consideration of the terms of the new Treaty. It follows also that the new Treaty must, as the King desires, provide for some relaxation of formal British control over 'Iraq, so as to warrant her membership of the League. So far, therefore, as Great Britain and 'Iraq only are concerned, there seems to be no reason to object to the early giving of the assurance that the King requests. But two points may need scrutiny. The first is whether the League would be likely to resent, as an attempt to force their hands, the publication of any kind of assurance, so long before the close of the "protocol period." The second is the probable extent of French opposition to the admission of 'Iraq to the League. If, as I believe, the French will oppose it with all their might, it is evident that the longer the warning that they receive of British intentions, the greater will be their opportunities for marshalling objectors and it might be easy for them, if they had eighteen months' warning, to prevent 'Iraq's obtaining the two-thirds majority in the Assembly of the League that is required for the admission of a new member. On the other hand, if an announcement of the intention of Great Britain to apply for the admission of 'Iraq were deferred until the last permissible moment, France might not have time for the development of effective opposition. Were I authorized to employ this argument in conversation with the King, there would be some chance of its success. But it would put His Britannic Majesty's Government into the invidious position of appearing to conspire with King Faisal against French policy in the Middle East and would perhaps weaken me in my constant efforts to combat his fixed hostility to France.

6. On all these considerations I suggest that the simplest and most straightforward course would be for His Britannic Majesty's Government to decide what they hold to be in the best interest of 'Iraq and Great Britain without reference to outside influences and, as it were, *in vacuo*. If they decide to press for the admission of 'Iraq to the League at the end of 1928, it would be wise, I believe, to accept the proposal of King Faisal and publish an assurance now on the subject, leaving to the future the difficulty of the opposition which the publication of such an assurance may produce, but reaping its immediate benefits.

I have, &c.,
H. DOBBS,
High Commisioner.

C. 40299/27 [No. 13]

No. 5.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 12.40 a.m., 15th May, 1927.)

TELEGRAM.

[*Answered by No.* 11.]

(Paraphrase.)

No. 222. 14th May. 'Iraq Government have included Conscription Bill in the programme placed before the Extraordinary Session of Parliament. If they proceed with it they will have to introduce it in about a fortnight. King Faisal,

* No. 2.

however, persists in his idea that it will not be possible to get it through unless he is helped by popular enthusiasm which, he maintains, would be created by the desired announcement that His Majesty's Government will at the close of the Protocol period press for 'Iraq's admission to the League of Nations. The King asks me, therefore, to represent most earnestly to you the difficulties which he feels and to beg that His Majesty's Government will accept his views on this point and will gratify the 'Iraq Nation by speedy announcement. Unless he can obtain it he thinks he will have to withdraw the Conscription Bill. This would make it impossible for 'Iraq to afford troops to replace the British Forces and would make all discussions regarding the new Military Agreement very difficult.

Foregoing is with reference to my Secret despatch of 31st March.*—DOBBS.

C. 40299/27 [No. 10] [No. 11]

No. 6.

COLONIAL OFFICE to [FOREIGN OFFICE.] [AIR MINISTRY.]

[*Answered by Nos.* 10 *and* 12.]

(Secret.)

SIR, Downing Street, 20th May, 1927.

I AM directed by Mr. Secretary Amery to invite reference to the letter from this Department of the 4th of January, 1927,† transmitting copy of a despatch‡ to the High Commissioner for 'Iraq in regard to the question of the admission of 'Iraq to the League of Nations. A series of despatches§ on the subject, of which copies are enclosed, have since been received from Sir Henry Dobbs.

2. Mr. Amery has been in personal correspondence with [Sir Austen Chamberlain] [Sir Samuel Hoare] on this subject. After the fullest consideration he is satisfied that it is not practicable to comply with the High Commissioner's suggestion that His Majesty's Government should undertake to raise the question with the League at the earliest date contemplated in the Treaty of 1926, viz., August, 1928. He considers, however, that it will be practicable, and indeed desirable, provided all goes well in 'Iraq in the meantime, to raise the question four years later, i.e., in August, 1932. It might be preferable, in many ways, not to make any public announcement to this effect, or even to give any undertaking to the 'Iraq Government. He feels, however, that, in view of the circumstances reported by Sir H. Dobbs, it is desirable that the 'Iraq Government should receive some clear intimation of the intentions of His Majesty's Government, and that, if such intimation is to serve the object in view, the 'Iraq Government must be permitted, if they so wish, to make a public announcement on the subject in 'Iraq.

3. Mr. Amery has accordingly prepared a draft telegram of instructions, of which a copy is enclosed, and which he would propose, subject to the concurrence of [Sir Austen Chamberlain,] [the Air Council,] to address to the High Commissioner forthwith.

4. A similar letter has been addressed to the [Air Ministry.] [Foreign Office.]

I am, &c.,
J. E. SHUCKBURGH.

Enclosure in No. 6.

DRAFT TELEGRAM TO THE HIGH COMMISSIONER, 'IRAQ.

YOUR Secret despatches of 24th,‖ 30th¶ and 31st March.* His Majesty's Government have examined with close attention important question discussed in your despatches, viz., that of admission of 'Iraq to League of Nations. They appreciate force of arguments in favour of taking action with League at earliest date contemplated in Treaty of 1926, viz., 6th August, 1928. They realize that a decision to this effect, if communicated to 'Iraq Government at an early date, might conduce to satisfactory settlement of important questions now pending and would convince people of 'Iraq beyond all possibility of doubt that British Government are in earnest in their avowed policy of promoting establishment of full autonomy in 'Iraq with the least possible delay. On the other hand, they cannot but feel

* No. 4. † C. 23907/26: not printed. ‡ No. 1. § Nos. 2, 3, 4, and C. 40299/27 [No. 7]: not printed. ‖ Nos. 2 and 3. ¶ C. 40299/27 [No. 7]: not printed.

that it would be premature and against best interests of 'Iraq to take such a step at as early a date as August, 1928. You yourself have quoted in your despatch Secret C. of 24th March* certain extracts from Report of Frontier Commission indicating that Commission contemplated continuance of British supervision for much longer period. It was on basis of Commission's Report that Council of League recorded decision under which whole of Mosul vilayet was awarded to 'Iraq. I cannot believe that when Council had question before them in 1925 and 1926 any of its members supposed that question of 'Iraq's admission to League and consequent discontinuance of British supervision would be raised so soon as August, 1928. His Majesty's Government feel that to bring matter forward after so short an interval might have appearance almost of sharp practice and would lay us open to suspicion of having secured frontier we desired by undertaking further obligations which we had no real intention of discharging.

In all the circumstances His Majesty's Government do not feel justified in raising question in August, 1928. They will be prepared, however, provided all goes well in the interval, to approach League in matter at next date contemplated in Treaty of 1926, viz., August, 1932, and to use all their influence to induce League to agree to admission of 'Iraq at that date. They believe that in 'Iraq's own interest this will prove much the better course. If question is raised prematurely next year it seems certain that opposition will be aroused which, if it led to rejection of application, would create most unfortunate impression and might have the effect of prejudicing claims of 'Iraq for some time to come. If, on the other hand, matter is deferred to 1932 and if in meantime 'Iraq continues to progress as we all hope and believe she will, proposition when brought forward is much more likely to secure general acceptance.

It is possible that when our intentions in this manner become known League may think it desirable before matter comes up for decision to send further Commission to 'Iraq to investigate conditions on the spot. It is not intention of His Majesty's Government to volunteer any such suggestion but I presume that if suggestion is made there would be no strong objection on your part or on that of 'Iraq Government to its being carried into effect. It would clearly be not unreasonable that League should wish to satisfy itself by independent inquiry that local situation is such as to justify modification of policy adopted on recommendation of previous Commission sent to country under its auspices.

Subject to any further comments you may have to offer you are authorized to inform 'Iraq Government that His Majesty's Government intend, provided present rate of progress in 'Iraq is maintained, to take up with League in August, 1932, question of 'Iraq's admission and to press the matter with all the influence at their disposal. There is no objection to 'Iraq Government making public announcement to this effect, in such terms as you and they may agree upon as calculated to have the best effect.

C. 40299/27 [No. 17]

No. 7.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 12.41 p.m., 26th May, 1927.)

TELEGRAM.

[*Answered by No.* 11.]

(Paraphrase.)

No. 238. 25th May. Please refer to my telegrams Nos. 222† and 229‡ of 14th and 18th May and to my note on conversation with King Faisal regarding conscription transmitted to you with my Secret despatch of 13th May.§ Opposition to conscription, regarding which Bill has not yet been published, is increasing, partly among the extreme nationalists who allege that British influence over 'Iraq Army must be eliminated before conscription can become acceptable to patriotic youth, and partly among Shiahs who wish thereby to strengthen their position against the

* No 2. † No 5 ‡ C. 40004/27 [No. 16]: not printed. § Enclosure in C. 40004/27 [No 21]: not printed

Government. Cabinet, I believe, are now feeling doubtful of their power to carry conscription through Parliament and are trying to find excuse to resign and to throw on the British Government the odium of obstructing development of the 'Iraq Army by failing to support them in their projects for expansion of Army and by delay in making declaration as to 'Iraq's entry into the League of Nations and revision of Treaty and Agreements. I have explained to the King that such tactics can only produce resentment in mind of His Majesty's Government and defeat their own object and have asked him to arrange for frank discussion of the position in his presence between myself and the leading Ministers at an early date. I am not sure whether the resignation of the Cabinet, which is sick unto death, will be averted by this. After Cabinet's resignation situation might be very awkward as it is conceivable and even probable that in his present infatuated mood Faisal may persuade the only possible alternative Cabinet to declare that they cannot take office without first receiving from His Britannic Majesty's Government a satisfactory declaration as to 'Iraq's entry into the League, amendment of Treaty, etc. I should find it useful in the meantime to be empowered to assent to the 'Iraq Government's maintaining silence in Parliament regarding co-operation of British Forces as suggested in my telegram No. 229 of 18th May.*—DOBBS.

C. 40299/27 [No. 20]

No. 8.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 3.30 a.m., 28th May, 1927.)

TELEGRAM.

[*Answered by No.* 11.]

(Paraphrase.)

No. 241. 27th May. On the evening of 26th May I had an interview with the King and four principal Ministers. Resignation of the Ministry had already been placed in Faisal's hands and it rapidly became clear that the whole affair had been staged by the King. His plans emerged as follows:—

(1) That the Cabinet, in support of its resignation, should publish criticism of delays by the British Government in accepting the demands regarding military policy and in promising 'Iraq's entry into the League of Nations and drastic revision of the Treaty and subsidiary agreements, especially military and financial agreements.

(2) That this should be followed by re-appointment of practically the same Cabinet, which would withdraw Conscription Bill, bring the present extraordinary session of Parliament to a close, and then await the effect upon His Britannic Majesty's Government of its public protest.

(3) If, as the King confidently expected, the effect was to make His Majesty's Government come to an early decision and announce its intention of getting 'Iraq into the League next year and of immediately beginning discussion of a new Treaty and agreements Faisal would demand to go to London forthwith, accompanied by two Ministers and myself, and put through new Treaty by direct negotiation in record time, returning thereafter to 'Iraq as the saviour of his people.

(4) After this achievement Conscription Bill would be introduced and passed without opposition in Parliament in November next.

I found it difficult to combat in respectful terms this petulant and childish plan which appeared to have found acceptance with the Premier and Ministers of Interior, Finance and Defence. I pointed out that publication of differences of opinion between British and 'Iraq Governments, and especially of allegations entirely without foundation, would have deplorable effect on the people of 'Iraq and on His Majesty's Government and on the outside world, especially on League of Nations. Faisal tried to argue that it would strengthen the hands of Great Britain by showing that 'Iraq enjoyed real independence and was not a puppet. I replied that any chance there might be of Great Britain accepting request that she should make early application for 'Iraq's entry into the League would be ruined; no one in England would understand why question of military programme should be mixed up with the

* C 40004/27 [No. 16]: not printed.

question of entry into League in this fantastic manner; my object had been to present 'Iraq to the world as a reasonably progressive and stable State; this impression would be destroyed by such a move.

I pointed out also the unwisdom of the King's project of direct negotiations. I advised the King to refuse to accept resignation of Cabinet and to exercise reasonable patience in awaiting His Majesty's Government's decision on the large question of entry of 'Iraq into the League. In the meanwhile I said that I admitted that in the present circumstances it might make difficulties in passage of Conscription Bill if the 'Iraq Government were, as originally suggested, to announce in Parliament non-co-operation of British Forces, and I had every hope that your reply to my telegram* asking whether such announcement could be dispensed with would be received at an early date. Let them wait a few days for that reply. I regret to say that Faisal did not appear to be convinced by my representations. He is very *tête montée* owing to the glorification of him in Lawrence's book and has apparently set his heart on early visit to London before the Members of the British Cabinet disperse for the summer holidays. I now believe that this is the main reason why he is in such a hurry for the desired announcement regarding entry into the League, etc., to be issued. Finally it was arranged that his acceptance of Ministers' resignation should be deferred while I reported the situation to you. I suggest that you should instruct me to deliver some such message as follows:—*Begins:* His Britannic Majesty's Government have received (?) with surprise the news of the suggested public criticism by Cabinet, after its resignation, of British policy towards 'Iraq which would have deplorable effect upon public opinion both in 'Iraq and in Europe and would make it impossible for His Majesty's Government even to contemplate proposing 'Iraq's entry into League of Nations before the lapse of considerable period. Public exhibition by 'Iraq Government of impatience regarding the solution of such large issues would create an impression of levity and irresponsibility which would go far to destroy very favourable impressions hitherto created by progress of 'Iraq State. His Britannic Majesty's Government must decline to be pressed by methods such as those contemplated and would strongly resent them if they were adopted. They are sensible, however, of the difficulties which may be encountered in the passage of the Conscription Bill if public announcement is made of non-co-operation of British Forces in its execution and they are prepared to acquiesce in withholding of such announcement. *Ends.* I trust that I may be furnished with reply urgently as I fear that I shall not be able to hold back the King for more than four or five days.

Foregoing is in continuation of my telegram No. 238 of 25th May.†—DOBBS.

C. 40299/27 [No. 24]

No. 9.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 3.40 p.m., 28th May, 1927.)

TELEGRAM.

[*Answered by No.* 11.]

(Paraphrase.)

No. 242. 28th May. I found the King in a much better mood this morning, mainly, I think, because terrific heat and south winds of past three weeks which have put all tempers on edge have given way to north wind. I spoke to him very seriously of the bad impression which impatient attitude recently taken up by him must make on you, and he said that he hoped that you would recognize that he was English at heart and the differences were merely those between sincere friends. A large banquet at which Faisal will publicly re-affirm his attachment to Great Britain is now being planned by him and I am to make a suitable reply. He is still desperately anxious to receive an early reply to his requests and I am not sure whether, having first egged on his Ministers to make public protest against alleged delay on the part of His Majesty's Government, he will now be able to pull them back to his own recovered sanity. If I am given authority to communicate message on lines suggested at end of my telegram‡ under reference I will exercise discretion in softening its terms according to the circumstances prevailing.

Above is in continuation of my telegram No. 241 of 27th May.‡—DOBBS.

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* C.40004/27 [No. 16]: not printed. † No. 7. ‡ No. 8.

C. 40299/27 [No. 30]

No. 10.

AIR MINISTRY to COLONIAL OFFICE.

(Secret.)

SIR, Air Ministry, London, W.C.2, 31st May, 1927.

I AM commanded by the Air Council to refer to Sir John Shuckburgh's letters of the 20th* and 21st† instant regarding the question of the admission of 'Iraq to the League of Nations, and to say that they concur in the terms of the telegram which Mr. Secretary Amery proposes to address to the High Commissioner on this subject, though in the second paragraph thereof they would suggest the omission of the words "and to use all their influence to induce League to agree to admission of 'Iraq at that date"; and in the last paragraph the words "and to press the matter with all the influence at their disposal."

A copy of this letter has been sent to the Foreign Office.

I am, &c.,
W. H. NICHOLSON.

D. 40299/27 [No. 28]

No. 11.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 11.40 a.m., 1st June, 1927.)

TELEGRAM.

(Paraphrase.)

No. 183. Your telegrams 222,‡ 229,§ 238,‖ 241¶ and 242.** Proposal regarding Conscription Bill made in your telegram 229§ is accepted by His Majesty's Government. Message on lines proposed in your telegram 241¶ may be delivered to 'Iraq Government; precise terms of message are left to your discretion.

A further telegram will be addressed to you as soon as possible on question of admission of 'Iraq to League of Nations but I may not be able to secure decision for another fortnight or so.—AMERY.

C. 40299/27 [No. 29]

No. 12.

FOREIGN OFFICE to COLONIAL OFFICE.

[*Answered by No.* 30.]

(Secret.)

SIR, Foreign Office, S.W.1, 1st June, 1927.

I AM directed by Secretary Sir Austen Chamberlain to acknowledge the receipt of your letter of 20th May,* relative to the question of the admission of 'Iraq to the League of Nations.

2. It appears to the Secretary of State extremely improbable that the League would entertain favourably an application for the admission of 'Iraq either now, or until it is clearly proved that 'Iraq is able to stand alone. Mr. Secretary Amery will recollect what strong pressure the Council of the League exerted upon him, when dealing with the Turco-'Iraq frontier dispute, to guarantee that His Majesty's Government would continue to exercise a mandatory influence and protection over 'Iraq for twenty-five years. In view of the obligations in which the admission of 'Iraq to the League would involve the other States Members of the League, those States would—in Sir Austen Chamberlain's opinion—be both surprised and indignant if His Majesty's Government were to approach them now with the suggested proposal.

3. To this extent, therefore, the Secretary of State is in agreement with Mr. Amery's views, as set forth in your letter. It seems to him, however, that it

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* No. 6. † C. 40299/27 [No. 14]: not printed. ‡ No. 5. § C. 40004/27 [No. 16]: not printed. ‖ No. 7. ¶ No. 8. ** No. 9.

would be extremely rash for His Majesty's Government to pledge themselves to press for the admission of 'Iraq to the League at a particular date, especially when that date must be fixed five years in advance The mere announcement of such an intention, which is suggested in your letter under reply and in the draft telegram to Sir H. Dobbs enclosed therein, would disturb the Council of the League, who might feel that His Majesty's Government were hardly keeping faith with them. In any case Sir Austen Chamberlain doubts whether it is wise to fix a date for the proposed action, since at the present time no one can pretend to foresee what conditions will exist in 'Iraq or in the world generally at the time when that date arrives.

4. The Secretary of State begs leave to invite Mr. Amery's careful consideration of the arguments indicated above and he would suggest that a decision of such importance can in any case scarcely be taken after merely inter-departmental correspondence, but must be submitted to the Cabinet.

I am, &c.
LANCELOT OLIPHANT.

C. 40299/27 [No. 41]

No. 13.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 5.15 p.m., 30th June, 1927.)

TELEGRAM.

(Paraphrase.)

30TH JUNE. Important. No. 296. Private and Personal. King Faisal has been incapacitated for a week by sore eyes. I have, however, had two long conversations with him and informed him of grave view which I take of manner in which agitation in favour of conscription undertaken by his orders among Shiah Tribes of the Euphrates has begun to be conducted on anti-British lines. Faisal admitted that orders for agitation had been given by him but said he had intended it to be based merely on necessity of army as instrument to win complete independence. He now seems to be thoroughly frightened and upset and says that he thinks that the Conscription Bill, which was introduced into Parliament before the close of extraordinary session will probably have to be withdrawn by the Government, which must then resign. He swears that he realizes that he is entirely dependent upon Great Britain but is much worried as to how to carry on without a conscript army to take over all duties of ground troops after abolition of Levies in 1928. If British subvention suffices to enable him to do this on voluntary basis then he can drop conscription without damage. If not, then he must get through conscription somehow and still sees no way except by such revision of Treaty and Agreements as will enable the people to feel that they are not being forced into the army under foreign control. Fact is that he does not and will not realize that general antipathy to conscription has nothing whatever to do with any idea of army being under British control and would not diminish if all British were to leave the country. King now informs me that he does not attach particular importance to entry of 'Iraq into the League of Nations. What he does desire, however, is immediate announcement that His Majesty's Government will exercise power of reviewing Treaty and Military and Financial Agreements in accordance with Article 18 of Treaty of October, 1922, at a very early date. He thinks that even if British right of interference could not be completely abrogated in the new Treaty there would be immense advantage in deleting various clauses which are now obsolete owing to their having been incorporated in Organic Law or in agreements and that the phraseology of others might perhaps be so modified as to please 'Iraqi sentiment better. In any case it is clear that if the Cabinet decides to decline to make announcement that they will press for 'Iraq's entry into the League in 1928 blow would be much softened by announcement that they will give early consideration to revision of Treaty in addition to Military and Financial Agreements. Faisal is

quite definite that revision of two Agreements only without revision of Treaty will be opposed by him. I have been pressing for reinstatement of Mutessarif of Mosul and hope to be able to secure it in a day or two without resort to your authority to insist. For the moment the atmosphere is clearer. Above is in continuation of my private and personal telegram No. 286.*—DOBBS.

C. 40299/27 [No. 45]

No. 14.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent (1st part) 10.7 p.m. (2nd part) 11.40 p.m., 6th July, 1927.)

TELEGRAM.

[*Answered by No.* 15.]

(Paraphrase.)

No. 232. Important question of admission of 'Iraq to League of Nations discussed in your Secret despatches of the 24th,† 30th‡ and 31st of March§ has been examined with close attention by His Majesty's Government. Force of arguments in favour of taking action with League at earliest date contemplated in Treaty of 1926, viz., 6th August, 1928, is appreciated by them. They realize that a decision to this effect if communicated to Government of 'Iraq at an early date might conduce to satisfactory settlement of important questions now pending, and would convince the people of 'Iraq beyond all possibility of doubt that the British Government are in earnest in their avowed policy of promoting establishment of full autonomy in 'Iraq with the least possible delay. On the other hand, they cannot but feel that to take such a step at as early a date as August, 1928, would be premature and against the best interests of 'Iraq. In your despatch Secret "C" of 24th March‖ you yourself quoted certain extracts from the Frontier Commission's Report indicating that the Commission contemplated that British supervision would continue for much longer period. It was on basis of Report of Commission that the League Council recorded decision under which whole of Mosul Vilayet was awarded to 'Iraq. I cannot believe that when question was before Council in 1925 and 1926 any of the members of the Council supposed that question of admission of 'Iraq to League and subsequent discontinuance of British supervision would be raised so soon as August, 1928. His Majesty's Government feel that to bring matter forward after so short an interval might have the appearance almost of sharp practice and would lay us open to suspicion of having secured frontier we desired by undertaking obligations which we had no real intention of discharging. It is also conceivable that Turkey might be encouraged to raise again the whole issue of Mosul and thus plunge 'Iraq back into the old atmosphere of anxiety and uncertainty.

In all the circumstances His Majesty's' Government do not feel justified in bringing matter forward in 1928, but they will be prepared, provided all goes well in the interval and the present rate of progress is maintained, to approach the League in the matter at next date contemplated in 1926 Treaty, viz., August, 1932. They believe that this will prove much the better course in 'Iraq's own interest. It seems certain that, if question is raised prematurely next year, opposition will be aroused which, if it led to application being rejected, would create most unfortunate impression and might have the effect of prejudicing 'Iraq's claims for some time to come. If, on the other hand, question is deferred to 1932, and if 'Iraq continues to progress in the meantime, as we all hope and believe she will, proposition when brought forward is much more likely to secure general acceptance.

When our intentions become known it is possible that the League may think it desirable to send a further Commission to 'Iraq for the purpose of investigating conditions on the spot. It is not the intention of His Majesty's Government to volunteer any such suggestion, but I presume if suggestion is put forward you, or the 'Iraq Government, would have no strong objection to its being carried into effect. It would clearly be not unreasonable that League should desire to satisfy itself by independent inquiry that local situation is such as to justify modification of policy adopted on recommendation of previous Commission sent to country under its auspices.

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* C. 40405/27 [No. 2] not printed. † Nos. 2 and 3. ‡ C. 40299/27 [No. 2] not printed. § No. 4 ‖ No 2

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Subject to any further comments you may have to offer, you are authorized to inform Government of 'Iraq that it is the intention of His Majesty's Government to take up with League of Nations in 1932 question of 'Iraq's admission provided all goes well in the interval and present rate of progress in 'Iraq is maintained. There is no objection to public announcement to this effect being made by the 'Iraq Government in such terms as you and they may agree upon as calculated to have best effect.

You will understand that these instructions are sent to you after full consideration of your secret and personal letter to me of 14th June.* I hope to address you further in due course on question of 'Iraq defence.—AMERY.

C. 40299/27 [No. 48]

No. 15.

THE ACTING HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 4.12 p.m., 9th July, 1927.)

TELEGRAM.

[*Answered by No.* 18.]

(Paraphrase.)

9TH JULY. No. 314. As Dobbs is on his way to England, and in view of suggestions which were made in his private and personal telegram No. 296 of 30th June† regarding promise to amend Treaty as well as Agreements I shall take no action upon your telegram No. 232 of 6th July‡ until I receive further instructions.—BOURDILLON.

C. 40299/27 [No. 49]

No. 16.

THE ACTING HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 5.36 p.m., 9th July, 1927.)

TELEGRAM.

[*Answered by No.* 18.]

(Paraphrase.)

9TH JULY. No. 318. Private and Personal. Hope of favourable announcement regarding entry of 'Iraq into League of Nations has now been definitely abandoned by Faisal. The King states that he realizes that he was flying too high in asking for it. He is pinning all his hopes on amendment of Treaty as well as Agreements. In the circumstances, if amendment of Treaty is agreed to, it may prove unnecessary to make any promise in regard to 'Iraq's entry into League in 1932, if such promise is likely to prove embarrassing to His Majesty's Government. Above is with reference to Dobb's telegram No. 296.†—BOURDILLON.

C. 40299/27 [No. 70]

No. 17.

THE ACTING HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 12.18 p.m., 21st July, 1927.)

TELEGRAM.

(Paraphrase.)

21ST JULY. No. 341. Important. The following telegram from Muzahim to Prime Minister has caused Faisal much excitement:—

Begins: Conduct Treaty negotiations from France with subsequent visit to London agreed. *Ends.*

Early enlightenment is requested.—BOURDILLON.

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* C. 40299/27 [No. 37]: not printed. † No. 13. ‡ No. 14.

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C. 40299/27 [No. 66]

No. 18.

THE SECRETARY OF STATE to THE ACTING HIGH COMMISSIONER.

(Sent 3.15 p.m., 21st July, 1927.)

TELEGRAM.

[*Answered by No.* 19.]

(Paraphrase.)

No. 258. Please refer to your telegrams Nos. 314* and 318† of the 9th July. As you will realize, the question of revising the Treaty in the direction desired by Faisal raises very wide issues which could only be determined by Cabinet after the fullest consideration. For example, revision would have to be consistent with our international obligations, and with overriding consideration that the right of the High Commissioner to be consulted in regard to movements and disposition of the 'Iraq Army must be maintained so long as British Air Force remains the main factor in the security of 'Iraq. It would be quite impossible to obtain a Cabinet decision before late autumn. As you are aware, Parliament is about to rise and for some considerable time to come Ministers will be scattered. Meanwhile, whole question has been fully discussed with Dobbs and as a result of these discussions matter will at once be taken up with other interested Departments with a view to framing an agreed policy for submission to Cabinet after the holidays. You may inform Faisal accordingly and add that consideration of revision of Military and Financial Agreements has already reached an advanced stage. Discussions will probably be in progress during next few months. It might be convenient if Faisal were sufficiently within reach, during course of discussions, to be consulted personally on points that may arise. If therefore he is contemplating a visit to Europe this summer and he found it convenient to take up his residence at some place within reasonable range of London, on the Continent or elsewhere, opportunity thus afforded of personal consultation with him would be welcomed. As you probably know, I myself shall not be available. You should also inform Faisal, in communicating with him on above lines, of decision as communicated to you in my telegram 232 of 6th July‡ in regard to admission to League of Nations. For the moment your communication should be made to Faisal for his personal and confidential information only. You would refer matter for my instructions if he presses for permission to make public announcement of any kind and submit your views as to the terms in which such an announcement should be made.

The above is sent after consultation with Dobbs, who concurs therein.—AMERY.

C. 40299/27 [No. 71]

No. 19.

THE ACTING HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 12.29 p.m., 22nd July 1927.)

TELEGRAM.

(Paraphrase.)

22ND JULY. No. 345. Your telegram of 21st July No. 258.§ I am at once communicating to King Faisal and will discuss matter with him to-morrow morning. Injudicious telegram‖ which Muzahim sent to the Premier resulted in an orgy of inter-ministerial congratulatory osculation, and has roused wild speculations. Unless, therefore, instructions to the contrary are received from you before to-morrow morning I shall tell His Majesty that he may, under seal of secrecy, inform Ministers of the actual situation.—BOURDILLON.

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* No. 15. † No. 16. ‡ No. 14. § No. 18. ‖ See No. 17.

C. 40299/27 [No. 72]

No. 20.

THE ACTING HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 3.14 p.m., 22nd July, 1927.)

TELEGRAM.

(Paraphrase.)

IMMEDIATE. No. 346 of 22nd July. My telegram 345.* Faisal has, I find, broadcast already among all political leaders that he is going to France and later to London to negotiate amendment of Treaty. This he has done on the strength of the telegram† from Muzahim.—BOURDILLON.

C. 40299/27 [No. 73]

No. 21.

THE ACTING HIGH COMISSIONER to THE SECRETARY OF STATE.

(Received 4.25 p.m., 23rd July, 1927.)

TELEGRAM.

[*Answered by No.* 23.]

(Paraphrase.)

23RD JULY. No. 353. I saw Faisal this morning after contents of your telegrams Nos. 258‡ and 232§ had been communicated to him in writing. His Majesty is thoroughly satisfied with communication which evidently comes up to his best expectations. In reply to an inquiry by him whether he should take Ja'far with him I advised him to wait and if he found he required Ja'far to send for him. He does not wish to make any public announcement but in view of two statements which have already appeared in vernacular Press it may prove necessary to issue *communiqué* to the effect that His Majesty is proceeding to Europe for the sake of his health, and that it is understood that advantage will be taken of his proximity to London to discuss with him various questions outstanding between His Majesty's Government and 'Iraq. In any case I am of the opinion that such a *communiqué* should issue at time of the King's departure. Do you concur?—BOURDILLON.

C. 40518/27 [No. 1]

No. 22.

SIR H. DOBBS to SIR J. E. SHUCKBURGH (COLONIAL OFFICE).

(Secret.)

Campshire, Cappoquin, Co. Waterford, Ireland,
27th July, 1927.

MY DEAR SHUCKBURGH,

I ENCLOSE the promised suggestions as to 'Iraq Treaty amendments.

Perhaps you could let me have a typed copy.

Yours ever,
H. DOBBS.

Enclosure in No. 22.

SUGGESTED AMENDMENTS IN THE ANGLO-'IRAQ TREATY OF 10TH OCTOBER, 1922.

Preamble.

THE 'Iraq Government will probably wish that this shall now be modified, so as to take the form of the ordinary short preamble to Treaties of Alliance or Friendship between independent States, without any hint of previously different relations. I see no objection to this, if none comes from the League of Nations.

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* No. 19. † See No. 17. ‡ No. 18. § No. 14.

Article 1.

No change.

Article 2.

See paragraph 7 (*b*) of the conversation of 17th March, 1927. 'Iraq will probably wish to delete this article, while His Britannic Majesty's Government will wish to retain it.

Although it would obviously be more convenient to retain the article unchanged, it might be possible to make a compromise under which 'Iraq would bind herself to seek the concurrence of His Britannic Majesty's Government only in respect of the appointment of non-'Iraqi Military Officers and would continue the existing Schedule IV to the British Officials Agreement (Terms of Service of British Military Officers).

As regards Civilian Officials, there is already a full staff of Officials, most of them fairly young and most of them with ten-year contracts, of which about eight years are unexpired. These contracts reproduce in full the conditions of the British Officials Agreement. 'Iraq may lose some through death or ill-health, or from other causes; but enough should remain to permeate the Administration for the next six or seven years and we can hardly look beyond that period at present. While, therefore, I would attempt to make a stand for the retention of this article unchanged, I should be content to expunge it and to add to the revised Military Agreement a condition that all non-'Iraqi commissioned officers in the 'Iraq Army shall be British and that the conditions of their service shall be as set forth in Schedule IV to the British Officials Agreement, which should be transferred as a schedule to the new Military Agreement. New Civilian Officials especially required would be brought in under special contracts, as has already been done in the cases of Messrs. Vernon and Bury.

Article 3.

This can go out. The Organic Law has been passed and promulgated and cannot be amended, so far as I remember, before 1929. It is most unlikely that the 'Iraq Parliament would consent to its amendment in a sense contrary to any of the provisions of Article 3. If unexpectedly some mischievous amendment were proposed, our remedy would be to threaten a withdrawal of our support.

Article 4.

See paragraph 7 (*e*) of the conversation of 17th March, 1927. I have already explained orally,

(*a*) That most of the important points on which I interfere, such as treatment of the Arab and Kurdish tribes, justice to minorities, and the like, do not strictly fall into the category of "matters affecting the international and financial obligations and interests of His Britannic Majesty";

(*b*) That, even where my interference might be based on existing Treaty rights, I have no means of insisting on compliance with my advice, other than a threat overt or implied that His Britannic Majesty's Government will withdraw their support from 'Iraq. This means would remain, whatever amendments were made in the Article.

(*c*) That the financial obligations and interests of His Britannic Majesty's Government in 'Iraq have, except for the railways (which have to be finally settled up in 1928) and the Port of Basra, regarding which there is a separate article, disappeared. This article is therefore, in any case not effective, except in so far as international obligations are concerned. I should be willing to see an amended article, somewhat as follows:—

"His Majesty the King of 'Iraq will fully consult the High Commissioner on all important matters affecting the international obligations and interests of His Britannic Majesty's Government and the High Commissioner may of his own motion tender advice to His Majesty the King of 'Iraq upon any matter which he may consider likely to affect the prosperity or security of 'Iraq and of its inhabitants."

Article 5.

The difficulty in the way of 'Iraqi representation in foreign countries has hitherto been the unwillingness of certain countries to accept 'Iraqi representatives. With the exception of Russia, I do not know that there is any country in which

His Britannic Majesty's Government would oppose 'Iraqi representation, if 'Iraq wished for it. If, therefore, 'Iraq wishes to alter the article or expunge it, I should be inclined to agree and to secure by an exchange of notes that 'Iraq shall not enter into relations with the Soviet without British consent, and also that, where 'Iraq is not represented, she shall entrust the protection of her nationals to His Britannic Majesty's Government.

Article 6.

This, I presume, would remain.

Article 7.

This remains.

Article 8.

This remains.

Article 9.

This remains.

Article 10.

For separate agreements there has already been substituted an exchange of notes which was brought to the notice of the 'Iraq Constituent Assembly. This article may perhaps, therefore, be expunged.

Article 11.

'Iraq will probably try to secure the omission of this article, not because they wish to make discrimination, but on the ground that such an undertaking is contrary to their independence. I do not see, however, how we could satisfy the League or America by a Treaty from which this provision was omitted.

Article 12.

I have no copy of the Organic Law with me and cannot remember whether it reproduces this article. I think not. If not, His Britannic Majesty's Government will have to insist on the retention of this article, although 'Iraq will fight for its abolition. King Faisal has several times recently spoken to me about the necessity of restricting missionary enterprise and there is a growing body of opinion, especially among the Shiahs, in favour of restriction. But neither the League nor America would tolerate this.

Article 14.

The necessary "Law of Antiquities" has been passed and, though, of course, there is no guarantee against its amendment, there seems to be no serious reason to insist on the retention of this article, if 'Iraq presses for its abolition.

Article 15.

In the changed circumstances all that seems necessary is the first sentence of the article.

Article 16.

No change.

Article 17.

No change.

Article 18.

Except for the changes made necessary by a renumbering of the articles cited in this article, and a substitution of twenty-three for twenty years (so as to make the new Treaty tally with the League decision about the Mosul frontier) no alteration seems to be needed.

General considerations.

It must be remembered that His Britannic Majesty's Government are in a very strong position in regard to these amendments. They are not bound to make any revision at all of the main Treaty, although political agitation in 'Iraq makes it expedient to offer some revision.

H. DOBBS.

27th July, 1927.

C. 40299/27 [No. 78]

No. 23.

THE SECRETARY OF STATE to THE ACTING HIGH COMMISSIONER.

(Sent 9.0 p.m., 29th July, 1927.)

TELEGRAM.

[*Answered by No.* 24.]

(Paraphrase.)

No. 275. Please refer to your telegram No. 353 of the 23rd July.* I concur in the issue of a *communiqué* in the terms suggested therein.—AMERY.

C. 40299/27 [No. 82]

No. 24.

THE ACTING HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 5.36 p.m., 1st August, 1927.)

TELEGRAM.

(Paraphrase.)

No. 367 of 1st August, 1927. Please refer to your telegram No. 275 of 29th July.† It would now be inappropriate to issue any *communiqué* as the vernacular Press has given full publication to Muzahim's telegram‡ and Reuter's message sent from London on 22nd July which is much on the lines of proposed *communiqué*. The Press has been full of speculations as to the nature and result of negotiations and there has been a crop of anti-British articles denouncing the oppressive nature of present régime, etc. Faisal professes annoyance but practically every paper is controlled by one minister or another, and there can be no doubt that Faisal fully approves of the campaign. Indeed he has probably engineered it with the object of arousing popular enthusiasm for negotiations in regard to which the country is quite indifferent as a whole.—BOURDILLON.

C. 40299/27 [No. 90]

No. 25.

THE ACTING HIGH COMMISSIONER to KING FAISAL.

(Received in Colonial Office, 8th August, 1927.)

[*Answered by No.* 26.]

(Immediate and Secret.)

YOUR MAJESTY, The Residency, Baghdad, 22nd July, 1927.

I HAVE now received a communication§ from the Secretary of State for the Colonies in regard to the entry of 'Iraq into the League of Nations, and the early revision of the Treaty and Agreements.

2. His Britannic Majesty's Government have given full consideration to all the arguments in favour of taking action to press for the admission of 'Iraq into the League of Nations in August, 1928, and have come to the conclusion that such action would be premature and against the best interests of 'Iraq. His Britannic Majesty's Government cannot believe that when, in 1925 and 1926, the Council of the League of Nations had the question before them, any of its members supposed that the question of the admission of 'Iraq to the League, and the consequent discontinuance of British supervision, would be raised as early as August, 1928. They feel that to bring the matter forward after so short an interval would have the appearance almost of sharp practice and would lay them open to the suspicion of having secured 'Iraq's northern frontier by undertaking further obligations which they had no intention of discharging. It is even conceivable that Turkey might again raise the whole issue of Mosul and plunge 'Iraq back into the old atmosphere of anxiety and uncertainty.

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* No. 21. † No. 23 ‡ See No 17 § No. 14.

In all the circumstances His Britannic Majesty's Government feel it would be a mistake to raise the issue in August, 1928. If all goes well in the interval and the present rate of progress is maintained they will, however, be prepared to approach the League of Nations at the end of the next period of four years mentioned in the 1926 Treaty, i.e., in August, 1932. If the question were raised next year it seems certain that opposition would be aroused, which, if it led to the rejection of the application, would create a most unfortunate impression and might have the effect of prejudicing 'Iraqi claims for some time to come. But if the matter is deferred until 1932, and if 'Iraq continues to progress, as there is every reason to hope and believe that she will, her application for admission is much more likely to secure general acceptance.

3. It is possible that, when the intentions of His Britannic Majesty's Government in this matter become known, the League of Nations may think it desirable, before the matter comes up for discussion, to send a further Commission to 'Iraq to investigate conditions on the spot. His Majesty's Government do not intend to put forward this proposal themselves, but they see no reason to object to it, if it is put forward, and presume that it would be acceptable to the 'Iraq Government.

4. His Britannic Majesty's Government have also had under consideration Your Majesty's desire for an immediate amendment of the Anglo-'Iraq Treaty itself, as well as of the Financial and Military Agreements. Consideration of the revision of the Agreements has already reached an advanced stage and discussions are continuing. The question of revising the Treaty itself as desired by Your Majesty raises very wide issues which could only be determined by the Cabinet after the fullest consideration. Such revision would have to be consistent with British international obligations and with the overriding consideration that, as long as the British Air Force remains the main factor in the security of 'Iraq, the right of the High Commissioner to be consulted in regard to the movements and disposition of the 'Iraq Army must be maintained. Parliament is about to rise, Ministers will be scattered for some time, and it would be quite impossible to obtain a Cabinet decision before the late autumn. In the meantime the whole question has been fully discussed with Sir Henry Dobbs, and will at once be taken up with all the Departments interested, with a view to framing an agreed policy for submission to the Cabinet after the holidays.

5. His Majesty's Government feel that it might be convenient if, during these discussions, Your Majesty were sufficiently within reach to be consulted on any points that may arise. If therefore Your Majesty should contemplate a visit to Europe this summer, and should find it convenient to take up your residence on the Continent or elsewhere within reasonable reach of London, they would (although Mr. Amery himself will be absent) welcome the opportunity which this would afford of personal discussion with Your Majesty.

6. I beg that Your Majesty will, for the present, treat this communication as confidential and for your personal information only.

I remain, &c.,
B. H. BOURDILLON.

C. 40299/27 [No. 90]

No. 26.

KING FAISAL to THE ACTING HIGH COMMISSIONER.

(Received in Colonial Office, 8th August, 1927.)

The Royal Court, The Diwan, Baghdad,
24th July, 1927.

MY DEAR BOURDILLON,

I HAVE received with great pleasure Your Excellency's letter dated the 22nd of July, 1927,* and I shall seize the earliest opportunity to proceed to Europe. As I would like to make a few days' visit to my father in Cyprus I should be exceedingly grateful if you would be so good as to let me have sufficient particulars, as asked for during our interview yesterday, regarding the manner and time of departure.

I do not hide from you the fact that I am exceedingly optimistic as to the results

* No. 25.

of this journey. I am confident that no insurmountable obstacle will arise in the way of our coming to good understanding, especially so as we have already discussed and come to understanding over the general principles on which our discussions for the revision of the Treaty and subsidiary instruments will be based.

Your sincere friend,
FAISAL.

C. 40299/27 [No. 85]

No. 27.

THE SECRETARY OF STATE to THE ACTING HIGH COMMISSIONER.

(Sent 5.5 p.m., 11th August, 1927.)

TELEGRAM.

No. 286. In view of misleading reports emanating from 'Iraq which have recently appeared in Press here propose to issue on 12th August following *communiqué*:—

"It was stated yesterday by the Colonial Office that His Majesty King Faisal, who is at present in Cyprus on a visit to his father, ex-King Hussein, is proceeding to Europe for the benefit of his health, and that it is probable that advantage will be taken of his presence on the Continent to discuss with him various questions affecting this country and 'Iraq. No decision has been taken by His Majesty's Government to revise the existing Anglo-'Iraq Treaty, but this question with others is being examined."—AMERY.

C. 40518/27 [No. 5]

No. 28.

REVISED DRAFT ANGLO-'IRAQ TREATY.

[REVISE OF 12TH AUGUST, 1927.]

HIS Majesty the King of Great Britain, Ireland and the British Dominions beyond the Sea, Emperor of India

And His Majesty the King of 'Iraq

Desiring to consolidate the friendship and to maintain and perpetuate the relations of good understanding between their respective countries; and

Recognizing that the terms of the Treaty of Alliance signed at Baghdad on the 10th day of October, 1922, corresponding with the 19th day of Sa'far, 1341, Hijrah are no longer appropriate in view of the altered circumstances and of the progress made by the Kingdom of 'Iraq and stand in need of revision; and

Considering that the revision of the terms of the said Treaty of Alliance can best be effected by the conclusion of a new Treaty of Alliance and Amity;

Have agreed to conclude a new Treaty for this purpose and have appointed as their plenipotentiaries:

His Majesty the King of Great Britain:

. . . . . .

His Majesty the King of 'Iraq:

. . . . . .

who, having communicated their full powers, found in due form, have agreed as follows:—

Article 1.—At the request of His Majesty the King of 'Iraq, His Britannic Majesty undertakes, subject to the provisions of this Treaty to provide the State of 'Iraq with such advice and assistance as may be required during the period of the present Treaty without prejudice to her national sovereignty. His Britannic Majesty shall be represented in 'Iraq by a High Commissioner and Consul-General, assisted by the necessary staff.

Article 2.—His Majesty the King of 'Iraq, recognizing that the prosperity and security of 'Iraq at the present time demands the retention of a Foreign element in

the Administration, agrees to look to His Britannic Majesty for assistance in obtaining suitable foreign officals for service in 'Iraq and His Britannic Majesty undertakes to afford such assistance. In return for this assistance His Majesty the King of 'Iraq agrees to be guided by the advice of His Britannic Majesty in all matters affecting the employment of such officials.

Article 3.—His Majesty the King of 'Iraq undertakes, upon the request of His Britannic Majesty, to take such measures in 'Iraq as may be necessary to enable His Britannic Majesty to implement the international obligations previously entered into by him in respect of 'Iraq, particularly those relating to the rights and interests of Foreign Powers and their nationals in 'Iraq, so long as such obligations remain in force.

Article 4.—There shall be full and frank consultation between the High Contracting Parties in all matters of Foreign Policy which may affect their common interests. In particular should circumstances arise which threaten to impair the good relations between His Majesty the King of 'Iraq and any third Power, His Majesty will consult with His Britannic Majesty with a view to a settlement of the difficulty by such amicable methods as may be appropriate. Further, each of the High Contracting Parties undertakes not to adopt in foreign countries an attitude incompatible with this Treaty or liable to create difficulties for the other.

Article 5.—His Majesty the King of 'Iraq undertakes that, until 'Iraq is admitted to the League of Nations in accordance with Article 7 hereof, His Britannic Majesty will be consulted in regard to any amendment of the Constitution of 'Iraq which may affect the property, rights and interests of foreigners in 'Iraq.

Article 6.—In foreign countries in which His Majesty the King of 'Iraq is not represented, he agrees to entrust the protection of 'Iraqi nationals to His Britannic Majesty.

Article 7.—Provided the present rate of progress in 'Iraq is maintained and all goes well in the interval, His Britannic Majesty will use his good offices to secure the admission of 'Iraq to membership of the League of Nations in 1932.

Article 8.—His Britannic Majesty undertakes to provide such support and assistance to the Armed forces of His Majesty the King of 'Iraq as may from time to time be agreed by the High Contracting Parties. A separate agreement regulating the extent and conditions of such support and assistance shall be concluded between the High Contracting Parties.

Article 9.—His Majesty the King of 'Iraq undertakes to maintain in force the existing special arrangements in regard to jurisdiction over foreigners as laid down in the judicial agreement signed on the 25th day of March, 1924, corresponding to the 19th day of Sha'ban, 1342. The necessity for the retention of these arrangements will be reviewed upon the entry of 'Iraq into the League of Nations.

Article 10.—His Majesty the King of 'Iraq undertakes, so soon as local conditions in 'Iraq permit, to accede to all general International Agreements already existing or which may be concluded hereafter with the approval of the League of Nations in respect of the following:—

The Slave Trade.
The Traffic in Drugs.
The Traffic in Arms and Munitions.
The Traffic in Women and Children.
Commercial equality.
Freedom of transit and navigation.
Aerial navigation.
Postal, telegraphic or wireless communication and measures for the protection of Literature, Art or Industries.

Article 11.—There shall be no discrimination in 'Iraq between nationals of any State, Member of the League of Nations or any State to which His Majesty the King of 'Iraq has agreed by Treaty that the same rights should be enjoyed as it would enjoy if it were a member of the said League (including Companies incorporated in the laws of such State), as compared with British nationals or those of any foreign State, in matters concerning taxation, commerce or navigation, the exercise of industries or professions, or in the treatment of merchant vessels or civil aircraft. Nor shall there be any discrimination in 'Iraq against goods originating in or destined for any of the said States. There shall be freedom of transit under equitable conditions across 'Iraq territory.

Article 12.—No measure shall be taken in 'Iraq to obstruct or interfere with missionary enterprise or to discriminate against any missionary on the grounds of his religious belief or nationality, provided that such enterprise is not prejudicial to public order and good government.

Article 13.—His Majesty the King of 'Iraq undertakes to co-operate, in so far as social, religious and other conditions may permit, in the execution of any common policy adopted by the League of Nations for preventing and combating diseases of plants and animals.

Article 14.—A separate agreement shall regulate the financial relations between the High Contracting Parties.

Article 16.—Any differences that may arise between the High Contracting Parties as to the interpretation of the Provisions of this Treaty shall be referred to the Permanment Court of International Justice provided for by Article 14 of the Covenant of the League of Nations. In such case, should there be any discrepancy between the English and the Arabic texts of this Treaty, the English shall be taken as the authoritative version.

Article 17.—This Treaty shall come into force as soon as it has been ratified and ratifications have been exchanged in accordance with the constitutional methods of the two countries and shall remain in force for 23 years. But nothing shall prevent the High Contracting Parties from reviewing from time to time the provisions of this Treaty and those of the separate agreements arising out of Articles 8 and 14 hereof.

C. 40299/27 [No. 102]

No. 29.

SIR J. E. SHUCKBURGH (COLONIAL OFFICE) to KING FAISAL.

YOUR MAJESTY, Downing Street, 30th August, 1927.

I WAS much gratified to receive your kind message, communicated to me through Muzahim Beg al Pachachi. At the time of its receipt I was without definite instructions in regard to the proposed conversations on the subject of the revision of the Anglo-'Iraq Treaty, etc. I have now taken the instructions of Mr. Ormsby Gore who, as Your Majesty is no doubt aware, is acting for Mr. Amery in the latter's absence, and it has been decided that I shall visit Your Majesty forthwith and learn from your own lips precisely what Your Majesty has in mind. My instructions are that, after ascertaining Your Majesty's views, I am to return to London and report to Mr. Ormsby Gore, in order that he may be in a position to give full consideration to Your Majesty's wishes, and, if necessary, to seek the authority of the Cabinet before entering into formal discussions with Your Majesty. I shall accordingly leave London on the 4th September, arriving at Aix-les-Bains on the following day, when I shall take an early opportunity of calling upon Your Majesty. I shall be accompanied by Mr. J. H. Hall, of the Middle East Department of the Colonial Office. Your Majesty will readily understand that I have no authority to commit the Secretary of State or His Majesty's Government in any way at the present stage. My duty will be to hear what Your Majesty has to propose and to report this to Mr. Ormsby Gore on my return.

I beg, &c.,
J. E. SHUCKBURGH.

C. 40299/27 [No. 103]

No. 30.

COLONIAL OFFICE to FOREIGN OFFICE.

(Confidential.)

SIR, Downing Street, 30th August, 1927.

I AM directed to refer to the correspondence ending with the letter from this Department of the 16th August,* regarding the proposed conversations with His Majesty King Faisal in regard to a revision of the Anglo-'Iraq Treaty of 1922, and to transmit to you herewith, to be laid before Secretary Sir Austen Chamberlain, a copy of a letter† which has been sent to King Faisal.

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* C. 40299/27 [No. 91]: not printed. † No. 29.

2. It will be seen that, as a preliminary step Sir John Shuckburgh and Mr J. H Hall have been instructed to visit King Faisal at Aix-les-Bains, where His Majesty is at present staying, in order to ascertain and report to the Acting Secretary of State what precisely the King has in mind. It will be understood that the mission of Sir J. Shuckburgh and Mr. Hall is of a purely preliminary character; their functions will be merely to seek information for the purpose of reporting to higher authority, and they have express instructions, as King Faisal has been informed, not to commit His Majesty's Government in any way at the present stage.

3. On learning King Faisal's proposals, the Secretary of State will of course consult Sir Austen Chamberlain and other interested Ministers, and will, if necessary, seek the authority of the Cabinet before entering upon further discussions with King Faisal or committing His Majesty's Government to any modifications in the existing relations between Great Britain and 'Iraq.

I am, &c.,
J. E. SHUCKBURGH.

Printed for the use of the Colonial Office.

Middle East
No. 14

CONFIDENTIAL.

PALESTINE.

CORRESPONDENCE

[1926 — 1927]

RELATING TO THE

MAVROMMATIS CONCESSIONS.

(Continued by Middle East No. 24.)

Printed for the use of the Colonial Office.

Middle East
No. 14

CONFIDENTIAL.

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[1926 — 1927]

RELATING TO THE

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[1926 — 1927]

RELATING TO THE

MAVROMMATIS CONCESSIONS.

(*Continued by Middle East No.* 24.)

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16 To the High Commissioner, 745 ... ... June 17	Transmits copy of an Agreement between Mr. Mavrommatis and Lord Gisborough, and intimates that the former has no right to transfer the Concessions to anyone except the Company for the formation of which the Agreements provide. Encloses copy of No. 17 ... 10
17 To Messrs. Lane and Cottier June 17	With regard to the Agreement between Mr. Mavrommatis and Lord Gisborough points out that it must not be taken that the Government of Palestine recognize the assignment of the Concessions and that if any different arrangement is agreed to later the Government must be released from present obligations to Mr. Mavrommatis 11
18 Messrs. Lane and Cottier July 9	Recites the conclusions reached at an interview with the Secretary of State, urges the carrying out of a drainage scheme at the same time as the laying of pipes for the water supply, and considers that Mr. Rutenberg's claim to the ownership of the waters of El-Auja is untenable 11
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21 The High Commissioner, 789 July 9 (Rec. July 19)	Submits Memoranda by Director of Public Works and Treasurer and is unable, for reasons stated, to recommend the acquisition by the Government of the Mavrommatis Water and Electricity Concessions ... 16
22 Messrs. Lane and Cottier July 19	Reports that Lord Gisborough has received formal notice to terminate his agreement with Mr. Mavrommatis and presses for a decision regarding the use of the El-Auja water owing to the impossibility of capitalizing the intended Company in advance thereof ... 18
23 Messrs. Burchells to Mr. E. Mavrommatis July 21	States that the assignment to Lord Gisborough is not recognized as having any validity or force and the deposit of plans is not accepted and will not be recognized as having been in conformance with the terms of the Concession 19
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26 To Messrs. Lane and Cottier July 24	In reply to No. 12 states that the Palestine Government cannot accept the proposal therein 21
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28 Mr. E. Mavrommatis August 11	Recites the history of the Concessions and urges that he be allowed an extension of the time limits laid down in the Concessions for the formation of a Company. Requests an interview 23
29 To Messrs. Lane and Cottier August 12	With reference to No. 27, states that it is difficult to see any prospect of installing a drainage scheme in Jerusalem unless one much cheaper can be devised. Offers an extension of time for submission of plans, etc., and formation of a Company in respect to the Water and Electricity Concessions under the conditions stated 29
30 The High Commissioner, 885 August 5 (Rec. Aug. 16)	Asks that Sir C. Cottier's attention be called to the fact that, with reference to his interview, it is incorrect to state that Concessions were agreed to on the understanding that Mr. Rutenberg withdrew his objection to use of the Auja Basin; also that the necessity for a drainage system has been previously pointed out; and that the Concessionnaire was aware of these facts during revision of the Concessions 30
31 To Crown Agents for the Colonies ... ... August 21	Transmits copy of No. 28 and asks that Messrs. Burchells be instructed to inform Mr. Mavrommatis that the deposit of plans cannot be accepted and that nothing can be done pending a deposit in accordance with the Agreements 31
32 Messrs. Burchells to Mr. E. Mavrommatis August 26	Replies to No. 28 on the lines indicated in No. 31 ... 32
33 The High Commissioner, Confidential (B) August 20 (Rec. Aug. 31)	Sets out his views upon the use of the El-Auja source for water supply for Jerusalem and urges that the question be submitted to the Law Officers to determine what rights in Auja waters remained to the Government after the Auja Concession was granted and how far those rights were modified in subsequent correspondence with the Jaffa Electric Company ... 32
34 Mr. E. Mavrommatis to Messrs. Burchells September 2	In reply to No. 32, submits his view that the plans have been correctly deposited in accordance with the Agreements and asks whether the electricity plans may now be approved 35
35 Mr. E. Mavrommatis to Messrs. Burchells September 6	Confirms No. 34, quotes telegrams sent to the High Commissioner requesting that, as the contract with Messrs. Jacksons has been determined, the deposit of plans may be accepted, and requests their approval by the Colonial Office 36

Serial No., From or to whom, Despatch No., &c., and Date.	Subject and Page No.
1926	
36 The Acting High Commissioner, telegram, No. 258 September 7 (Rec. Sept. 7)	Quotes telegrams received from Messrs. Lane and Cottier and Mr. E. Mavrommatis (as in No. 35) and proposes to reply acknowledging receipt of plans as deposited by Mr. Mavrommatis from 5th September 37
37 To the Acting High Commissioner, telegram, No. 257 September 10	Approves proposal in No. 36, and asks whether plans should be approved 37
38 Messrs. Lane and Cottier September 10	Transmits copy correspondence with Mr. Mavrommatis and others disclosing the willingness of Sir John Jackson, Limited, to undertake the engineering work, and the acceptance of deposit of plans by the High Commissioner. Suggests an interview as a means of providing a solution 37
39 The Acting High Commissioner, telegram, No. 268 September 13 (Rec. Sept. 14)	In reply to No. 37 suggests terms on which the plans for both Concessions should be approved 42
40 To the Acting High Commissioner, telegram, No. 264 September 21	In reply to No. 39, states that Mr. Mavrommatis is being informed that subject to modifications the Electricity Concession plans are approved, and that Law Officers are being consulted regarding the use of the Auja source for the Water Concession 42
41 To Mr. E. Mavrommatis September 21	Reports acceptance of the plans of the works to be built under the Concessions with effect from the 5th September 42
42 To Mr. E. Mavrommatis September 23	Indicates the conditions upon which plans for the Electricity Concession are approved 42
43 Mr. E. Mavrommatis October 7	Accepts the conditions set out in No. 42. Requests extensions of time limits if necessary in connexion with the formation of companies as previous delay in accepting plans has seriously affected progress of the schemes 43
44 The Acting High Commissioner, 1149 ... ... September 30 (Rec. Oct. 11)	With reference to No. 34, transmits a memorandum by the Director of Public Works traversing certain statements made by Mr. Mavrommatis therein 44
45 To Mr. E. Mavrommatis October 25	Points out that the plans have been approved within the period allowed and that no extension of time limits can be given 45
46 Mr. E. Mavrommatis November 26	Submits his views upon the delay in passing plans of the Concessions, and his interpretation of the statement made by The Hague Tribunal in 1925. Again urges the grant of extension of time limits for formation of companies 45
47 The High Commissioner, telegram, No. 326 November 26 (Rec. Nov. 26)	Reports the result of a conversation with Mr. Rutenberg regarding the availability of water from the Auja for Jerusalem 47
48 Mr. E. Mavrommatis December 1	Notifies that owing to delay in approving plans for the Water Concession it has become impossible to finance the operation. States that he is seeking damages and that he is consulting his Government 48
49 To Mr. E. Mavrommatis December 2	Sets out the conditions upon which the Water Concession plans are approved 48
50 To Mr. E. Mavrommatis December 6	In reply to No. 48, refers to correspondence showing that in both Concessions the plans have been approved within three months of the date of deposit and asks if the request for extension of time is to be regarded as withdrawn 49

Serial No., From or to whom, Despatch No., &c., and Date.	Subject and Page No.
1926	
51 The High Commissioner, Confidential (C) November 26 (Rec. Dec. 7)	In confirmation of No. 47, transmits copy of the text of a communication to Mr. Rutenberg on the utilisation of the Auja waters by Mr. Mavrommatis... ... 49
52 Mr. E. Mavrommatis December 24	In reply to Nos. 49 and 50 discusses the conditions attached to approval of the Water Concession plans and confirms his decision to place the matter in the hands of his Government 50
1927	
53 The High Commissioner, Confidential (A) January 7 (Rec. Jan. 17)	Transmits copy of a letter from Mr. Rutenberg, in reply to enclosure in No. 51, regarding the use of water of the Auja River by the Palestine Electric Corporation, Limited 51
54 To Mr. E. Mavrommatis January 19	Inquires whether the obligations in respect of the Water Concession are repudiated, and, if not, whether the modifications in the plans are accepted. Extends the time limit for submission of revised plans until 25th February, 1927 52
55 To Treasury Solicitor June 25	Transmits copies of letters from the Registrar of the Permanent Court of International Justice regarding a suit instituted by the Greek Government, together with the Greek Application and Case. Gives a brief outline of the matter, and requests that Counsel be asked whether they concur in the suggestion that His Majesty's Government should object to the jurisdiction of the Court 52
56 Foreign Office July 6	Approves of the appointment of Mr. A. J. Harding to be British Agent in the case, and inquires whether the address indicated for the receipt of communications is agreed to 54
57 The Permanent Court of International Justice to Foreign Office ... ... July 4 (Rec. in Colonial Office July 8)	States that the time limit for the filing of the British Counter-Case has been extended until the 15th August 54
58 Treasury Solicitor ... July 11	Transmits a copy of the opinion of the Attorney-General and Mr. Fachiri on the case, and states that Counsel has been instructed to settle the form of the preliminary objection and preliminary Case 55
59 To Treasury Solicitor ... July 16	Transmits copies of Nos. 56, 57 and 60, together with further communications from the Court of International Justice, and requests that Colonial Office might be consulted before the preliminary objection and the preliminary case are finally settled 57
60 To Foreign Office ... July 16	In reply to No. 56, agrees to the address at the seat of the Court, to which communications should be sent. Transmits copy of No. 58, with enclosure, and asks that the Registrar may be informed as proposed therein. Requests that copies of further correspondence in the case may be sent simultaneously to Colonial Office and Treasury Solicitor, and transmits copy of No. 59 57
61 To the High Commissioner, telegram, 214 ... October 11	States that The Hague Court upheld the British objection to its jurisdiction in the case 58

PALESTINE.

CORRESPONDENCE

[1926—1927]

RELATING TO THE

MAVROMMATIS CONCESSIONS.

C. 1896/26

No. 1.

MESSRS. LANE AND COTTIER to THE CROWN AGENTS FOR THE COLONIES.

1, Tower Royal, Cannon Street, London, E.C.4,

DEAR SIRS, 19th January, 1926.

Jerusalem Water and Electric Lighting Concessions.

WE are writing on behalf of Sir Charles Cottier, who is Chairman of Sir John Jackson, Limited, the Contractors, whom it is proposed shall carry out the above works. The several Agreements relative thereto have been agreed between the parties and will be signed during this week. It is intended to send out representatives of the Consulting Engineers, namely, Messrs. Rofe and Son and Messrs. Kincaid Waller Manville and Dawson, who have received instructions to treat the matter as most urgent and in particular the question of the water supply and to report as to what temporary measures may be possible to alleviate the present shortage of drinking water in Jerusalem.

Sir Charles thinks that a round-table conference with your Representatives, the Consulting Engineers, and Sir Charles Cottier would be very desirable before the Engineers leave, so that they may obtain your views on these matters, and generally arrange to act in accord with you.

May we ask you to be so good as to suggest the earliest available appointment, and if you will kindly telephone us to-morrow we will agree with you a definite appointment on behalf of the several parties.

We take the opportunity of sending you for approval a draft of an Agreement supplemental to the Concession Agreements providing for the formation of one Company to own and operate the two Concessions. This, of course, will be the most convenient form.

The proposed Company is to be registered in Palestine. We should like to know what are the Company laws in operation there, and generally such information as is available to enable us to prepare the necessary Memorandum and Articles of Association.

Yours, &c.,
LANE AND COTTIER.

The Crown Agents for the Colonies,
4, Millbank, Westminster, S.W.

Enclosure in No. 1.

AN Agreement made the day of , 1926, between the Crown Agents for the Colonies of No. 4, Millbank in the City of Westminster (who and their successors in office are hereinafter called the Crown Agents) acting for and on behalf of The High Commissioner for Palestine (hereinafter called the High Commissioner) of the one part and Euripides Mavrommatis a Greek Citizen resident in London (hereinafter called the Concessionaire) of the other part whereas the High Commissioner has agreed to grant to the Concessionaire upon the fulfilment by him of certain preliminary conditions two separate Concessions one for the supply of water and the other for the manufacture and supply of electricity in Jerusalem and

whereas in both Concessions it is stipulated that the Concessionaire shall form a Company to take over the Concession now it is hereby agreed as follows, viz. :—

1. Notwithstanding anything in the said Concessions contained it shall be lawful for the Concessionaire to form one Company to take over and operate both the said Concessions.

2. Should the Concessionaire elect to form only one Company as aforesaid it shall be made obligatory on such Company to keep separate accounts of the Water undertaking and of the Electricity undertaking.

3. Save as regards the formation of one Company instead of two all the provisions in both Concessions shall be binding upon the Concessionaire and the Company and shall be enforceable against them accordingly.

In witness, &c.

C. 1896/26

No. 2.

COLONIAL OFFICE to THE CROWN AGENTS FOR THE COLONIES.

[*Answered by No.* 4.]

GENTLEMEN, Downing Street, 29th January, 1926.

WITH reference to the letter of the 19th January* which you have received from Messrs. Lane and Cottier in regard to the Mavrommatis Concessions for the supply of water and electricity to Jerusalem, and which was forwarded to this Department for information and returned under cover of a letter dated the 23rd January,† I am directed by Mr. Secretary Amery to inform you that a telegram,† a copy of which is enclosed, has been sent to the High Commissioner for Palestine in accordance with the request made by the Chairman of Messrs. Sir John Jackson, Limited, at the conference held at this Department on the 26th January.

2. It would, however, appear necessary that a formal notification of the transfer of Mr. Mavrommatis' rights should be obtained from his solicitors before the above firm can be recognized as the owners of such rights. I am, moreover, to observe in this connexion that at the date of the letter in question you had not been authorized by Mr. Amery to sign the Concessions on behalf of the Palestine Government, and that it is presumed that, in accordance with the letter from this Department of the 22nd January‡ you have, in fact, executed the documents in their agreed form, i.e., as between yourselves, acting on behalf of the High Commissioner for Palestine, and Mr. Mavrommatis.

3. In the circumstances, Mr. Amery would be glad if you would instruct your legal advisers to place themselves in communication with the legal advisers of Mr. Mavrommatis with a view to obtaining a formal statement of the precise position, as Mr. Amery cannot undertake any official dealings with Messrs. Sir John Jackson, Limited, until he is satisfied that the transfer which has apparently taken place is in order.

I am, &c.,
J. E. SHUCKBURGH.

C. 4536/26

No. 3.

MESSRS. LANE AND COTTIER to COLONIAL OFFICE.

[*Answered by Nos.* 5 *and* 8.]

1, Tower Royal, Cannon Street, London, E.C.4,
22nd February, 1926.

DEAR SIR,

Jerusalem Water Works and Electricity Works.

YOU will be interested to learn that we have received a cable from our clients', Messrs. Sir John Jackson, Limited, representative that the Consulting Engineers despatched to consider and report upon these Concessions found confirmation of the Preliminary Reports and are of opinion that the Works are practicable. We also understand that a Contract has been agreed with Sir John Jackson, Limited, to supply temporary works.

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* No. 1. † C. 1896/26: not printed ‡ C. 1089/26: not printed.

We beg to refer to our letter of the 19th ultimo* addressed to the Crown Agents for the Colonies, and which we understood was subsequently passed to the Colonial Office, in which we sent for approval draft Contract providing that one Company might be formed to acquire the two Concessions, and in the final paragraph of this letter we asked what were the necessary steps to be taken for the incorporation of a company under the Ordinance for Palestine. May we hear from you on this subject at your earliest convenience.

The Consulting Engineers are on their back from Palestine. Would you like us to arrange for them to attend at the Colonial Office for a conference with you on the subject generally?

Yours, &c.,
LANE AND COTTIER.

C. 5140/26

No. 4.

THE CROWN AGENTS FOR THE COLONIES to COLONIAL OFFICE.

[*Answered by No.* 6.]

SIR, 4, Millbank, Westminster, London, S.W.1, 3rd March, 1926.

WITH reference to your letter of the 27th February,† and previous correspondence respecting the Mavrommatis Concessions, I have the honour to state that the Electricity and Water Concessions were duly executed on the 25th February and the Supplementary Agreement on the 26th February, and that we have in safe custody the copies executed by Mr. Mavrommatis. We have ordered 50 printed copies of the two Concessions and propose to send 20 to your Department, as well as 12 to Sir Hamar Greenwood. Of the Supplementary Agreement, 6 copies only are being made, of which we propose to send 4 for the use of the Colonial Office and the Palestine Government. Mr. Mavrommatis is paying his own costs and also half the cost of printing. Our costs and the other half of the cost of printing will be charged to the Government of Palestine.

2. With reference to paragraph 2 of your letter of the 29th January,‡ we understand that when executing the documents in question Mr. Mavrommatis informed our solicitors that Sir John Jackson, Limited, were being employed by him as contractors for the necessary construction work. Mr. Mavrommatis is not employing solicitors. He made no reference to any assignment of the Concession and acted throughout as the sole concessionaire. Having regard to the terms of Clauses 5 and 37 of the Electricity Concession (Clauses 5 and 38 of the Water Concession), it appears that Mr. Mavrommatis could not, without the consent of the Government, assign the Concessions to any other party except the Company formed for the purpose of operating them in accordance with Clause 4. Thus it would seem that the interests of Sir John Jackson, Limited, in the matter, if they are more than those of construction contractors, must relate to the Company which is to be formed accordingly.

I have, &c.,
H. C. RANSOM,
for Crown Agents.

C. 4536/26

No. 5.

COLONIAL OFFICE to MESSRS. LANE AND COTTIER.

GENTLEMEN, Downing Street, 9th March, 1926.

WITH further reference to your letter of the 22nd ultimo§ I am directed by Mr. Secretary Amery to inform you that he is in a position of some difficulty in this matter, since the Crown Agents who duly executed with Mr. Mavrommatis the two concessions on the 25th ultimo and a supplementary agreement (which he understands to be in the form forwarded in your letter of the 19th of January*) on the 26th ultimo, have not yet succeeded in obtaining from Mr. Mavrommatis any authoritative statement regarding his transactions with your clients. The Crown Agents

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* No. 1. † C. 4344/26. not printed. ‡ No. 2. § No. 3.

have been instructed to pursue the matter further, but you will appreciate that in the absence of such a statement from the other signatory of the documents Mr. Amery is unable to enter upon binding negotiations with yourselves or your clients.

At the same time I am to enclose a volume containing the Companies Ordinances of Palestine for which you asked. I am to request that this volume may ultimately be returned to this Department. The Ordinances will shortly be reprinted and copies will then be placed on sale in Palestine.

I am, &c.,
J. E. SHUCKBURGH.

C. 5140/26

No. 6.

COLONIAL OFFICE to THE CROWN AGENTS FOR THE COLONIES.

[*Answered by No.* 7.]

GENTLEMEN, Downing Street, 9th March, 1926.

I AM directed by Mr. Secretary Amery to acknowledge receipt of your letter of the 3rd instant* regarding the Mavrommatis Concessions and to inform you that he is being approached by Messrs. Lane and Cottier, the Solicitors to Sir John Jackson, Limited, regarding these Concessions and has received in a semi-official letter from Sir Hamar Greenwood, who was Mr. Mavrommatis' Counsel, a categorical statement to the effect that the latter "has agreed to transfer these Concessions."

2. In these circumstances it is necessary for Mr. Amery and the High Commissioner to receive a definite statement from Mr. Mavrommatis regarding the position of Sir John Jackson, Limited, in the matter and I am to request that you will obtain such a statement from him with particular reference to the question whether Sir John Jackson, Limited, and their Solicitors are authorized to discuss with this Office questions affecting the operation of the Concessions and the formation of a Company to carry them out.

I am, &c.,
J. E. SHUCKBURGH

C. 6319/26

No. 7.

THE CROWN AGENTS FOR THE COLONIES to COLONIAL OFFICE.

[*Answered by No.* 9.]

SIR, 4, Millbank, Westminster, London, S.W.1, 18th March, 1926.

IN reply to your letter of the 9th March,† regarding the Mavrommatis Concessions, I have the honour to enclose a copy of a letter from our Solicitors transmitting a statement from Mr. Mavrommatis as to his relations with Sir John Jackson, Limited, and others.

I have, &c.,
W. A. F. WICKHART,
For Crown Agents.

Enclosure in No. 7.

MESSRS. BURCHELLS TO CROWN AGENTS.

5, The Sanctuary, Westminster, S.W.1, 16th March, 1926.

Mavrommatis Concessions.

GENTLEMEN,

WE have a letter this morning from Mr. Mavrommatis, in which he makes the following statement:—

"I beg to state that you may be assured I have done nothing contrary to the provisions of the two Jerusalem Concessions to which you refer. But I

* No. 4. † No. 6.

have entered into what is I believe an usual agreement with Lord Gisborough as Trustee for a company to be formed for implementing these Concessions. Messrs. Sir John Jackson, Limited, are to undertake the construction of the work involved. Messrs. Lane and Cottier are acting as solicitors to Messrs. Sir John Jackson, Limited, and their friends. Sir Hamar Greenwood is the Counsel. In the circumstances the Crown Agents would be at liberty to enter into direct negotiations with Lord Gisborough as Trustee for the intended company and with Messrs. Sir John Jackson, Limited, as the Contractors."

2. If the Colonial Office require further details, we shall be pleased to apply for them,

And are, &c.,
BURCHELLS.

C. 6319/26

No. 8.

COLONIAL OFFICE to MESSRS. LANE AND COTTIER.

GENTLEMEN, Downing Street, 26th March, 1926.

I AM directed by Mr. Secretary Amery to refer to your letter of the 12th of March* regarding the Jerusalem Water and Electricity Works, and to inform you that the Crown Agents for the Colonies have now received a statement from Mr. Mavrommatis to the effect that he has entered into an agreement with Lord Gisborough as trustee for a Company to be formed for implementing the Concessions under which those works are to be executed.

2. Mr. Mavrommatis also states that Sir John Jackson, Limited, are to undertake the construction of the works involved, and that you are acting as the solicitors of that firm.

3. If in these circumstances you wish to discuss the questions raised in your letter of the 22nd of February† or any other matters connected with the Concessions Mr. Amery will be glad to instruct the competent officers of the Colonial Office to arrange an interview with you at any time that may be mutually convenient.

I am, &c.,
J. E. SHUCKBURGH.

C. 6319/26

No. 9.

COLONIAL OFFICE to THE CROWN AGENTS FOR THE COLONIES.

GENTLEMEN, Downing Street, 26th March, 1926.

I AM directed by Mr. Secretary Amery to acknowledge the receipt of your letter of the 18th of March‡ regarding the Mavrommatis Concessions, and to transmit to you, for your information, a copy of a letter§ which he has caused to be addressed to Messrs. Lane and Cottier.

2. Mr. Amery observes from the enclosure to your letter that Mr. Mavrommatis appears to be under the impression that he was regarded as having acted in some manner contrary to the provisions of the Concessions granted to him. I am to request that you will instruct your solicitors to inform him that he is under a misapprehension, and that there was no intention of imputing improper action to him. The Secretary of State's object was merely to obtain from him an authoritative statement as to how matters stood in regard to the Concessions.

I am, &c.,
J. E. SHUCKBURGH.

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* C. 4536/26: not printed. † No. 3. ‡ No. 7. § No. 8.

C. 8296/26

No. 10.

MESSRS. LANE AND COTTIER to COLONIAL OFFICE.

[*Answered by No.* 11].

1, Tower Royal, Cannon Street, London, E.C. 4,
16th April, 1926.

DEAR SIR,

Jerusalem Concessions.

HAVING regard to the fact, of which you are aware, that Lord Gisborough has been appointed Trustee for the proposed Company and that the benefit of the Concessions granted to Mr. Mavrommatis are transferred to him as such Trustee, we think that he is the person who must formally submit the plans to the High Commissioner in the terms of the Concessions. We are proposing, therefore, to ask His Lordship to sign a letter, a draft of which we attach hereto. We send you this draft as you will note that we are proposing to say in it that Lord Gisborough is acting in his capacity of such Trustee with your knowledge and approval.

Be so good as to let us know that this form of letter meets with your approval, and may we ask that you will be so good as to advise the High Commissioner that you have been so notified.

Yours, &c.,
LANE AND COTTIER.

Enclosure in No. 10.

(Draft.)

22, Ennismore Gardens, S.W.

His Excellency
The High Commissioner,
Jerusalem.

EXCELLENCY,

I BEG to advise you that the benefit of two Agreements respectively dated the 25th February, 1926, between the Crown Agents for the Colonies and Euripides Mavrommatis has been vested in me as Trustee for the Company contemplated in the Concession Agreements and in that capacity I have the honour to submit for your approval in accordance with Clause 4 (C) and Clause 9 of the Electricity Concession Agreement, plans, drawings and specifications in triplicate as there provided, and in accordance with Clause 4 (C) and Clause 8 of the Water Concession Agreement, plans, drawings and specifications as there provided in triplicate. I also send you herewith the original Report of Messrs. Kincaid Waller Manville and Dawson on the Electricity Works and the original Reports of Messrs. Rofe and Son and Messrs. John Taylor and Sons with regard to the selection of the source of supply of water.

The Crown Agents for the Colonies have been duly notified of my appointment as Trustee and I am so acting with their knowledge and approval.

I understand that in particular with regard to the proposed Water Works that this is a most urgent matter and I have accordingly arranged that the respective Engineers, Messrs. Rofe and Son and Messrs. Kincaid Waller Manville and Dawson shall send their Representatives to Jerusalem to deal with and settle in Jerusalem any points which may arise upon the plans, drawings and specifications.

I beg you therefore that you will advise me by cable immediately upon the receipt of the plans transmitted, so that these Representatives may proceed forthwith to Jerusalem.

I have, &c.

C. 8296/26

No. 11.

COLONIAL OFFICE to MESSRS. LANE AND COTTIER.

Downing Street, 17th April, 1926.

GENTLEMEN,

I AM directed by Mr. Secretary Amery to acknowledge the receipt of your two letters of the 16th of April,* regarding the Mavrommatis Concessions and to confirm

* No. 10, and C. 8297/26: not printed

the information communicated to you orally that it is not possible for this Department to assist in regard to the transmission of the package of plans which is being sent to the High Commissioner for Palestine in this connexion.

2. In reply to your second letter, I am to state that Lord Plumer has been informed that Mr. Amery has been notified by Mr. Mavrommatis that Lord Gisborough is acting as Trustee for a Company to be formed for implementing the Concessions and a copy of the present correspondence also will be sent to him.

3. The draft letter for Lord Gisborough's signature which you enclosed has not been examined from the legal point of view. In other ways it appears to be in order except that it is incorrect to state that the appointment of Lord Gisborough as Trustee has been approved by either the Secretary of State or the Crown Agents for the Colonies. As stated above, Mr. Amery has been informed of the appointment but this is not subject to his approval. Copies of the agreement between Lord Gisborough and Mr. Mavrommatis should be sent as soon as possible to the High Commissioner and to the Crown Agents for the Colonies, and at a later stage it will be necessary for the approval of the High Commissioner to be obtained to the Memorandum and Articles of Association of the Company formed to implement the Concessions.

I am, &c.,
A. C. C. PARKINSON.

C. 8667/26

No. 12.

SIR CHARLES COTTIER to MR. L. S. AMERY (COLONIAL OFFICE).

[*Answered by No.* 26.]

1, Tower Royal, Cannon Street,
London, E.C.4, 20th April, 1926.

DEAR MR. SECRETARY,

YOU will be aware that before the War, Concessions were granted by the Turkish Government to Euripides Mavrommatis, a Greek subject, for the construction and operation in Jerusalem and district, of Waterworks, Electricity Works, and Tramways.

When Great Britain was appointed by the League of Nations the Mandatory Power to administer Palestine, a question arose as to whether these Concessions were valid. The matter was decided before the Hague Tribunal with the British Government as opposing parties. The decision of the Tribunal, however, was in favour of the Concessionaire. Two Concession Agreements, both dated the 25th February, 1926, between the Crown Agents for the Colonies, acting for the High Commissioner of Palestine, and Mr. Euripides Mavrommatis have now been signed confirming the Concessions and providing for the formation of a Company to construct and operate the Works.

After a long negotiation I have been able to arrange for the transfer of these Concessions to Lord Gisborough as Trustee for the Company contemplated in the Concession Agreements, and, furthermore, I have been able to arrange a contract for the construction of the Works by Sir John Jackson, Limited.

You will be aware that in times past the water supply for Jerusalem has depended upon the collection in privately-owned cisterns of water during the rainy season. This system is obviously unhygienic and, I may say, very dangerous from a health point of view and has been the undoubted cause in the past of outbreaks of serious epidemics. At this moment even a quarter of the population of Jerusalem rely entirely for their water supply upon cisterns. Upon General Allenby taking possession of Jerusalem he realised the seriousness of this water situation and caused certain works to be constructed to bring potable water from Arroub into Jerusalem. The conception itself was quite sound, but the method totally inadequate. In fact the supply from this source during the past season has totally failed, and, apart from cistern water, Jerusalem has had to rely upon the importation of water in tank wagons—a very costly proceeding indeed and quite insufficient to supply the needs of the inhabitants.

Immigration into Palestine is causing a very rapid development of Jerusalem and, as I am informed, important suburbs are quickly rising up and houses of good class are being erected. According to the most reliable information I have received, this extension is likely to be rapidly progressive. Urgently needed development in

building construction is delayed and rendered very expensive by the present necessity of collecting in the rainy season in cisterns sufficient water required for the construction of buildings. Industrial enterprises are prevented or curtailed by insufficient water, and in fact the health, industry and general amenities of Jerusalem positively demand the immediate development of a supply of water and electricity. So much is this the case with water that the High Commissioner for Palestine urged upon Messrs. Sir John Jackson, Limited, on their recent visit to Jerusalem the imperative necessity of an immediate temporary supply, and as a result that Firm made a contract with the Municipality, guaranteed by the High Commissioner, for the provision of a temporary supply at a cost of some £50,000.

It is unfortunate, of course, in view of the fact that Palestine is now mandated territory to Great Britain, that these Concessions were ever granted. It would have been in the interests of Palestine, and therefore of Great Britain as the Mandatory Power, that such public utility works should be constructed and operated by the Local Authorities for the benefit of the community. The fact however remains that these Concessions were granted and have been confirmed and are therefore in full subsistence.

I have caused a careful examination into the projects to be made by leading firms of Consulting Engineers—in the case of Water by Messrs. H. Rofe & Son, and Messrs. John Taylor & Son, and in the case of Electricity, Messrs. Kincaid Waller Manville & Dawson. I have the reports of these Firms as to the adequacy of the source of supply of water, the cost of construction of both Water and Electricity Works, and the revenues which might be derived therefrom. Under the Water Concession the cost of the completed works, including import duties on plant and materials, is £800,000 and for the Electricity Works, including import duties on plant and materials, £270,000. The estimate of profits is £85,000 from Water and £38,000 from Electricity, or a total annual profit of £123,000. This is I am informed a conservative calculation.

I am in a position to form and finance the contemplated Company and I consider that the shareholders in such Company would make very substantial profits, but I feel that it would be still in the interests of Palestine and the Mandatory Power that these Works should be owned and operated by the Palestine Government and that the profits arising therefrom should form part of the revenue of Palestine. On completion of the purchase of the Mavrommatis Concessions, I could and would, if desired, transfer them without profit for the benefit of Palestine.

I understand that it is your intention to ask for Parliamentary powers to raise a Loan for Public Utility Works in Palestine, and I therefore venture to suggest that such Loan should be increased by a sum sufficient to enable the acquisition for the national welfare of the Water Supply, Electricity Works, and Tramways of Jerusalem and district.

The formation of the Company authorized by the Concessions would necessarily involve a very heavy capital expense which would be avoided if you think well to adopt my suggestion.

My proposal is, therefore, that if you will place the High Commissioner in the financial position to undertake to acquire the Water Works and Electricity Works the firm of Sir John Jackson, Limited, will agree to construct and equip these in accordance with plans already prepared for submission to the High Commissioner and hand them over to the High Commissioner or the Municipality so constructed and equipped for a fixed sum of £1,043,000 on the assumption that no import duties will be charged upon imported material. The Water Concession provides for the acquisition by the intended Company of the existing waterworks, which with the necessary land and easements would cost probably £100,000. The Contractors can, if more convenient, finance themselves until completion, it being understood that the interest which they have to pay during construction will be added to the purchase price, and that ten per cent. upon the money spent upon the undertaking will be payable in the terms of the Concessions to Concessionaire. I am advised that the Works should be fully completed and equipped in the space of two and a-half years from the date of commencement of construction.

On the basis of an assumed cost of £1,322,300 (see Appendix) interest thereon at the rate of five per cent. per annum would absorb an annual sum of £66,115, leaving a surplus of £56,885. If, as I understand, the total of the Palestine Loan, including the provisions herein proposed is the sum of, say, £6,000,000, then the surplus profits from the Water and Electricity undertakings

alone would be more than sufficient during the term of the Concession, viz., 60 years, to provide a Sinking Fund capable of redeeming over that period the whole of such loan of £6,000,000. I think you will agree with me that Palestine would very substantially benefit economically from such an arrangement, and that the guarantee of the British Government would be greatly relieved by this provision.

In the above estimate of revenue, I have taken no account of the profits which might be derived from Tramways when constructed, nor have I included the supply in bulk of water from the contemplated source of supply for Jerusalem to other places. I particularly have in mind the case of Jaffa, which is in close proximity to the proposed source of the Jerusalem supply. This city, I am informed, is in urgent need of potable water and should therefore gladly welcome the economical supply in bulk which it can receive from this source.

For the above reasons, I beg most respectfully to commend my proposition to your most serious consideration, and I am prepared to supply you with all further particulars and information which you may require.

Yours faithfully,
CHARLES COTTIER.

Appendix.

ESTIMATED COST OF CONSTRUCTION AND COMPLETION OF WATER WORKS AND ELECTRICITY WORKS AT JERUSALEM.

	£	£
Water Works Contract, including Duties ...	800,000	
Electricity Works Contract	270,000	
	1,070,000	
Less Import Duties	27,000	
		1,043,000
Purchase existing Water Works, land and easements, say		100,000
Ten per cent. spent upon undertaking, payable to original Concessionaire		104,300
Interest during construction, say		75,000
		£1,322,300

C. 8667/26

No. 13.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

[*Answered by No.* 21.]

(No. 605.)

Downing Street, 19th May, 1926.

MY LORD,

I HAVE the honour to refer to my despatch No. 540 of the 6th of May* forwarding copies of a communication received from Messrs. Lane and Cottier relating to the Mavrommatis Concessions and to transmit to you herewith copies of correspondence† which has passed between Sir Charles Cottier and myself relating to a proposal by the latter that the Concessions should be surrendered to the Government in return for an undertaking that Messrs. Sir John Jackson, Limited, should be given a contract to carry out the works contemplated on behalf of and at the expense of the Palestine Government for an agreed figure.

2. The proposal is quite a new one and you will no doubt examine the matter in consultation with your advisers and inform me in due course of your considered opinion upon it.

3. You will understand that a definite reply cannot be given to the proposal until it has been ascertained that the agreement between Mr. Mavrommatis and the

* C. 8446/26: not printed. † Nos. 12, C. 8667/26, and C. 9762/26: not printed.

Trustee is in such a form as to give the latter absolute discretion to make an agreement on the lines contemplated. You will note that I have asked Sir Charles Cottier to supply copies of the agreement in question.

4. If you decide to recommend the acceptance of Sir Charles Cottier's proposal, I shall be glad to be so informed at an early date in order that arrangements may be made to increase the amount of the Palestine Loan sufficiently to provide the necessary funds.

5. I shall be glad if you will, when furnishing me with your views on these proposals, discuss also the suggestion made in the letter addressed to you by Sir John Jackson, Limited, on the 4th May, regarding the simultaneous construction of a drainage scheme.

I have, &c.,
L. S. AMERY.

C. 11361/26

No. 14.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 9.55 p.m., 1st June, 1926.)

TELEGRAM.

[*Answered by No.* 15.]

1ST JUNE. No. 165. My despatch of 1st April, No. 372.* Auja Hydro Electric Concession. Sir J. Jackson's proposals for water supply of Jerusalem under Mavrommatis Concession involves procuring water from Auja source. Until agreement is reached with Rutenberg as to proposed modification of Article 2 of Auja Concession I shall not be in a position to approve Sir J. Jackson's proposals. This matter is very urgent since the Company cannot be floated until the proposals are approved.—PLUMER.

C. 11361/26

No. 15.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 4.15 p.m., 15th June, 1926.)

TELEGRAM.

No. 179. Your telegram of 1st June, 165.† My despatch of 8th June, 700.* Hamar Greenwood will see Rutenberg and endeavour to arrive at agreement as to taking Auja water for Jerusalem water supply.—AMERY.

C. 10438/26

No. 16.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(No. 745.)

MY LORD, Downing Street, 17th June, 1926.

I HAVE the honour to refer to my despatch No. 605 of the 19th of May‡ in regard to a proposal by Sir Charles Cottier that the Mavrommatis Concessions should be surrendered to the Government upon certain undertakings, and to transmit to you the accompanying copy of a letter§ from Messrs. Lane and Cottier together with a copy of the Agreement between Monsieur Mavrommatis and Lord Gisborough. The duplicate of the plans referred to in that letter have been forwarded to the Crown Agents.

2. I am advised that Monsieur Mavrommatis has no right to transfer the Concessions to anyone except to the Company which the Agreements provide that he shall from within a definite time limit; and that Sir Charles Cottier's plan for constructing the works is not feasible so long as the Government remains bound by the

* C. 8446/26: not printed. † No 14 ‡ No. 13. § C. 10404/26: not printed.

Agreements with Monsieur Mavrommatis. I have therefore caused to be addressed to Messrs. Lane and Cottier a letter,* a copy of which is enclosed, which will preserve the present position without preventing further negotiations, if desired, on Sir Charles Cottier's proposals.

I have, &c.,
L. S. AMERY.

C. 10438/26

No. 17.

COLONIAL OFFICE to MESSRS. LANE AND COTTIER.

GENTLEMEN, Downing Street, 17th June, 1926.

I AM directed by Mr. Secretary Amery to refer to your letters of the 18th of May† enclosing a copy of the Agreement between Monsieur Mavrommatis and Lord Gisborough in regard to the Jerusalem water and electricity concessions.

2. I am to inform you that it must not be taken that the Government of Palestine recognize the assignment of the Concessions or are in any way waiving any of the terms of the Agreements with Monsieur Mavrommatis. Obviously if any different arrangement should be agreed on later it would be necessary that the Government should have a Release from Monsieur Mavrommatis in respect of its present obligations to him.

I am, &c.,
J. E. SHUCKBURGH.

C. 13724/26

No. 18.

MESSRS. LANE AND COTTIER to COLONIAL OFFICE.

1, Tower Royal, Cannon Street, London, E.C.4,
9th July, 1926.

DEAR SIR,

Jerusalem Concessions.

I BEG to refer to the interview which I had at the Colonial Office on Friday last with Mr. Secretary Amery, and at which Sir John Shuckburgh and Mr. Clauson were present. The two main points discussed were:—

(1) Jerusalem drainage.
(2) Source from which the water should be taken.

With regard to drainage, I pointed out that this in the case of Jerusalem was a very urgent matter and should not for this reason be associated with drainage schemes of other cities which were in contemplation, and was glad to learn that Mr. Secretary Amery was of the same opinion.

The reasons I adduced for urgency in the case of Jerusalem drainage were (*a*) that the intended water scheme would become a source of possible danger to health if provision was not made at the same time for drainage, (*b*) if the supply from the new works was to be curtailed within the limits of the present provision for drainage then the rates to be charged for water would be so high as to make the use of the water prohibitive, (*c*) the Concessions provide for incorporation of Companies and necessitate other immediate expenditure which is only justifiable if this question of drainage is definitely settled.

Sir John Jackson, Limited, recently received a communication from the High Commissioner that he had asked the Colonial Office to appoint an Engineer to prepare drainage schemes for Jerusalem and other cities and that in due course Sir John Jackson, Limited, would be invited to tender for such works. That firm will of course be quite prepared to tender if the Colonial Office decide that that is the course they will adopt, but I venture to point out that if Sir John Jackson, Limited, were entrusted with a drainage contract to be carried into effect simultaneously with the water and electricity contracts there would obviously be a great saving of expense, and in particular in laying pipes at one and the same time which not only would be economical but would be least inconvenient to the city. Although I am informed that a drainage scheme for the whole city of Jerusalem might cost from £400,000 to £500,000 yet I believe this could be done in several stages, and that present purposes would be served by the immediate construction of one of these stages, which course

* No. 17. † 10404/26 and C. 10436/26: not printed

would minimise very largely the present capital expenditure. The balance of the scheme could doubtless be carried out as the increase in the rates or other income from Jerusalem justified further expenditure.

With regard to the source of supply, I pointed out that under a Concession dated 12th September, 1921, Article 2, Mr. Rutenberg claims the exclusive right to the use of the waters from the Auja Basin. I am informed by my Experts that the El-Auju source is undoubtedly the one most suited to the Jerusalem Concession, and undoubtedly the most economical, and for these reasons ought to be adopted. I do not accept the interpretation by Mr. Rutenberg of his Concession. My reading of the Article is that he only has an exclusive right to take water from that source to be used for generating electrical energy and for irrigation purposes within the limits of his Concession. I am advised by Counsel that this claim to the ownership of the waters of El-Auja is untenable. I am advised by my Experts that the quantity in the El-Auja Basin is so immense that the comparatively small quantity required by the Jerusalem Water Concession could have no effect upon the requirements which Mr. Rutenberg may foresee for electrical energy or irrigation in his own Concession area.

I respectfully ask the intervention of the Colonial Office on this point as I think that Mr. Rutenberg's claim is groundless and unjustified, and against the public interests. Further, I am advised that Mr. Rutenberg's claim was also made at the time, namely last summer, when the Mavrommatis Concessions were being considered and that these Concessions were finally settled and agreed on the understanding that Mr .Rutenberg withdrew all his objections to the use of the waters from El-Auja for the purposes of the Jerusalem water supply.

I also respectfully submit that the intervention of Mr. Rutenberg and the lack of a drainage system are factors that have caused and are causing delay in carrying out the terms of the Jerusalem Concessions and that these factors cannot be attributed to the Concessionaire or his successors.

I venture to put before you the above points for the urgent consideration and decision of your Department as they are vital.

Yours &c.,
CHAS. E. COTTIER.

C. 14320/26

No. 19.

MR. J. A. MALCOLM to LORD GISBOROUGH.

MY LORD, 47, Victoria Street, London, S.W.1, 18th July, 1926.

Jerusalem Water and Electricity Concessions.

MR. EURIPIDES MAVROMMATIS has asked me to inform your Lordship that, as you are doubtless already aware, the Agreement he made with you on 22nd January, 1926, lapsed on Saturday the 10th July, 1926, and therefore to request your Lordship, in accordance with the terms of the Agreement, to be good enough to give instructions for all the plans, estimates, specifications, reports, etc., to be handed over to him without delay. I am to add that your Lordship's authority to act on Mr. Mavrommatis's behalf in the matter *vis-à-vis* the competent authorities concerned, is hereby withdrawn.

I have, &c.,
JAMES A. MALCOLM,
Agent for Mr. Mavrommatis.

C. 14231/26

No. 20.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 19th July, 1926.)

[*Answered by Nos.* 25 *and* 40.]

(Confidential.)

Government Offices,
SIR, Jerusalem, 7th July, 1926.

I HAVE the honour to inform you that the plans and specification submitted for approval under Article 4 (*c*) of each of the Water and Electricity Concessions granted to Mr. Euripides Mavrommatis have now been examined, and I transmit a copy of a memorandum from the Director of the Department of Public Works which is concerned with both utilities, together with certain letters* written on behalf of the Concessionaire.

2. It will be convenient to discuss in this despatch the circumstances surrounding the Water Concession and in a separate despatch the circumstances surrounding the Electricity Concession. It will also be convenient to reserve for a third despatch those considerations which are involved in proposals by which the two Concessions should be surrendered to the Government upon certain undertakings, a subject that was discussed in your despatch No. 745 of the 17th June, 1926.†

3. It appears that the position under the Water Concession is that the High Commissioner must within three months notify his approval or disapproval of or objections to the plans he receives. Two further periods are allowed of one month each for counter-proposals if the plans are not approved in the form submitted; and, finally, if agreement at the end of this period is not reached, provision for arbitration exists.

4. Apart, therefore, from the public urgency of providing a water supply of permanent character for Jerusalem, there is a contractual necessity for giving approval to satisfactory plans at the earliest possible date. The plans were deposited with me on the 30th April, 1926.

5. The project submitted is based upon the possibility of utilizing water from the source of the Auja River near Ras-el-Ain in the Jaffa sub-district. I am, therefore, unable to approve the project unless the Palestine Government have a right to appropriate water from the source of the River Auja for the purposes of a water supply.

6. In your despatch No. 700 of the 8th of June, 1926,‡ you state that you are advised that the Auja Hydro-Electric Concession does not give the Concessionaire exclusive rights to the use of the Auja waters for any purpose other than those specified in Article 2 of the Auja Concession, i.e., for the generation of electrical energy and for irrigation. You add that so long as the water which is withdrawn by the Palestine Government is not used for generating electrical energy or for irrigation, and so long as the amount left is sufficient to meet the purposes contemplated in the Auja Concession, it appears that the Jaffa Electric Company can have no ground for complaint.

7. While I agree that the Jaffa Electric Company would not morally have any ground for complaint in the circumstances of the hypotheses stated in the preceding paragraph, it is clear that I am unable to approve the plans until it is certain that the Jaffa Electric Corporation will not object to the use of the Auja waters for a water supply. Mr. Rutenberg's attitude, towards this matter, has in Palestine been perfectly consistent and equally unyielding. The character of that attitude is, I think, adequately described in my despatch No. 372 of the 1st of April, 1926,‡ and the accompanying letters. The Chief Secretary's letter of the 19th of October, 1925, issuing as a consequence of your despatch of the 17th of September, 1925,§ has so far been ignored, while in February, 1926, Mr. Rutenberg, in a private letter to Lieutenant-Colonel Symes, objects to giving water free of charge to the Jerusalem Water Concessionaire. The centre of difficulty is, of course, the impossibility of defining what quantities of water are sufficient to give effect to any irrigation projects contemplated by the Concessionaire in the Auja Concession.

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* Not printed. † No. 16. ‡ C. 8446/26: not printed. § 38597/25: not printed

8. In your telegram No. 179 of the 15th of June, 1926,* you inform me that Sir Hamar Greenwood will see Mr. Rutenberg and endeavour to arrive at agreement as to the taking of the Auja waters for the Jerusalem Water Supply. That is to say that you are hopeful of a change in the attitude of Mr. Rutenberg, described in the preceding paragraph, as a result of certain conversations in England. It is, of course, clear that if agreement on these lines could be reached I could not withhold approval of the project before me, subject of course, to the recommendations of Mr. Lees that are contained in his memorandum accompanying this despatch. But I am far from satisfied that it is in the public interest to allow this matter to be the subject of a private agreement between the Jaffa Electric Company and the Water undertaking. It must be remembered that, while the Auja Concession has a duration of 32 years from 1921, under Article 19 (B) this Concession may be absorbed in another Concession for the term granted for such other Concession; and it is reasonable, therefore, to suppose that the Auja Concession will be absorbed in the Jordan Hydro-Electric Concession which has a duration of 70 years from 1926. It appears to me, therefore, that what is now required is to ensure that waters from the Auja shall be secured for water supply purposes for the period of duration of the Jordan Hydro-Electric Concession. While the object of the Jerusalem Water Supply might be achieved by private arrangements with Mr. Rutenberg, I consider that it is essential to ensure to the Palestine Government the delivery of the minimum quantity of water required for any public purposes other than hydro-electric generation of power or irrigation. To secure this object a modification of the Auja Concession is essential.

9. Now Article 2 of the Auja Concession provides the grant to the Concessionaire of an exclusive concession for the utilization of the waters of the Auja Basin for the purpose of generating, utilizing and supplying electrical energy and for utilizing the said waters for the purpose of irrigation. In other words, that which was, for all intents and purposes, a hydro-electric concession has, by the introduction of considerations of irrigation, become the instrument through which difficulty in obtaining water for the purpose of a water supply is now experienced. Moreover the Concession does not define the area to be irrigated, the actual works to be constructed nor the period within which irrigation works should be commenced and completed, and hence no estimate of the quantity of water required for "irrigation purposes" can be given. It follows, therefore, that the water necessary for water supplies cannot be reserved from waters that might be required by the concessionaire for "irrigation purposes." On the other hand, the concessionaire has not discharged his obligations under Article 3 of the Concession by which he was required within nine months from the date of the Concession to build and erect and within eighteen months completely to finish an electric generating station or power house to be called the Yarkon Power House. The opportunity afforded by this failure to discharge an obligation should not, I suggest, be ignored in seeking to ensure the withdrawal from the Auja Basin of such waters as are required for water supplies.

10. Article 6 of the Auja Concession provides that the power-house installation shall consist of water turbines of not less than 500 horse power and one reserve water turbine of not less than 250 horse power. I am not in possession of the plans to which reference is made in the First Schedule of the Auja Agreement and, in consequence, I am not aware of the total quantity of water that would be required to give effect to the scheme contemplated by the concessionaire, but I am advised that the quantity of water that could run to waste in the tail-race, if a standard power house generating 500 horse power were installed on the Auja, would be approximately 120,000 cubic metres of water *per diem* and therefore greatly in excess of the quantity of 40,000 cubic metres of water *per diem* required for all purposes of water supplies at Jerusalem and other towns that could be served from this source. I am moreover advised that it is improbable that the water thus running to waste at the level of the tail-race of the Yarkon Power House could be used for irrigation purposes. It follows, therefore, that, if the Jaffa Electric Company are released from the obligation to provide the Yarkon Power House, the Jaffa Electric Company will have more water for irrigation purposes than was originally contemplated in the Concession. That being the case, I see no reason why the Palestine Government should not release the Jaffa Electric Company from the obligation to construct the

* No. 15.

Yarkon Power House on condition that 100,000 cubic metres of water *per diem* from the Auja source are reserved to the Government for public purposes other than the generation of hydro-electric power and irrigation.

11. It may be argued that such a course is hardly consistent with the terms of the Chief Secretary's letter of the 19th of October, 1925, addressed to the Jaffa Electric Company, a copy of which accompanies my despatch of the 1st of April, 1926.* On the other hand, as I have stated above, that letter has been ignored by the Company and I see no great objection against its withdrawal, nine months having now passed since its issue. In normal circumstances I should be loth to recommend such an action, but the circumstances, as I conceive them, are not normal since it appears to be within the caprice of a Company to prevent the execution of comprehensive water supplies not only for Jerusalem but for other parts of Palestine from a source eminently satisfactory in quantity and quality and economic in character, having regard to other sources available. I trust, therefore, that my recommendations in this despatch will receive your approval at the earliest possible date.

12. In the meantime you will, no doubt, cause Mr. Mavrommatis to be informed of the reason for delay in approving the plans submitted and of the modifications proposed by the Director of the Department of Public Works in paragraph 3 of the enclosed memorandum.

I have, &c.,
PLUMER, F.M.,
High Commissioner.

Enclosure 1 in No. 20.

(Extract.)
(Confidential.)

Government of Palestine,
Public Works Department,
Jerusalem, 27th June, 1926.

CHIEF SECRETARY,

Subject: Mavrommatis Concessions.
Reference: Your 6544/26 dated 5th May, 1926.

Water Concession.

THE plans and specification submitted for approval by Lord Gisborough under Clause 4 (C) of the Jerusalem Water Concession have been examined in this office and also by the Department of Health and the Municipalities concerned. The District Commissioner, Jerusalem Southern District, has furnished me with observations made on behalf of the Jerusalem Municipality.

2. In the project submitted it is proposed to procure water from the source of the Auja River near Ras-el-Ain in the Jaffa District. The proposal can only be approved if the Palestine Government have the right to appropriate water from the source of the River Auja or in the event of Lord Gisborough coming to an agreement with the Jaffa Electric Co. who hold a concession for the utilization of the waters of the Auja Basin. In this connexion reference is invited to my memorandum W. 5/3/17 dated 25th June, 1926, and connected correspondence on the subject of the Auja source.

3. If the Auja source proposal can be approved, then I recommend that the scheme shown and described in drawings Nos. 1 to 9 prepared by Messrs. H. Rofe & Son, Civil Engineers, Westminster, with the accompanying specification and as amplified in letter dated 4th June, 1926, from Mr. S. R. Raffety of Messrs. H. Rofe & Son to the Director of Public Works, copy attached,† be generally approved subject to the following conditions:—

(i) Drawings 1 and 8 show the sites of the proposed pipe lines and works from Ras-el-Ain to Jerusalem. These plans are not accurate surveys and do not show land boundaries and proposed easements. Actual sites are in process of being selected by Messrs. Rofe & Son's representative and modified drawings should be submitted later for approval, see paragraph (1) of letter dated 4th June, 1926, from Messrs. H. Rofe & Son.

* C. 8446/26: not printed. † Not printed.

(ii) The capital expenditure should be kept as low as possible in the initial stages of the scheme. This is to the advantage of both the Company and the consumers. In this connexion it is suggested that the sizes of the main pipe lines shown on the drawings as 19 inches and 18 inches diameter be reduced. Smaller pipes would meet the immediate and early requirements of the supply. If the pipes as designed are intended to serve areas outside the concession area, any additional cost should not be a capital charge against the Jerusalem Water Works.

(iii) Clause 6 of the Concession provides that the terminal reservoir shall have a capacity of not less than 18,000 cubic metres. The plans submitted provide for a reservoir of 12,000 cubic metres only to be constructed at Romema. This can be accepted if the Company are prepared to build an additional reservoir when one is required. This undertaking is given in paragraph (3) of Messrs. Rofe & Son's letter of 4th June, 1926.

* * * * * * *

J. F. ROWLANDS,
Deputy Director.

H. B. LEES,
Director of Public Works.

C. 14229/26

No. 21.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 19th July, 1926.)

[*Answered by No.* 25.]

(No. 789.)

SIR, Government Offices, Jerusalem, 9th July, 1926.

I HAVE the honour to refer to your despatch No. 605 of the 19th of May, 1926,* forwarding proposals by Sir Charles Cottier that the Mavrommatis Water and Electricity Concessions be surrendered to the Government in return for an undertaking that Messrs. Sir John Jackson, Limited, should be given a contract to carry out the works contemplated on behalf of and at the expense of the Palestine Government for an agreed figure.

2. I have discussed the proposal with my advisers and am unable to recommend its acceptance by this Government.

3. I enclose memoranda on the subject submitted by the Director of Public Works and the Acting Treasurer, and consider that the arguments advanced therein require no elaboration by me.

4. As regards the Electricity Concession I have, as you are aware, been advised by the Attorney-General in the case of a possible surrender of the Huleh Concession, that such surrender would be followed by a claim by the Palestine Electric Corporation to the utilization of the Huleh waters and area. It is evident that a surrender of the Mavrommatis Electricity Concession would have the consequence that the Palestine Electric Corporation would claim to be entitled to establish an electricity undertaking in Jerusalem.

I have, &c.,
PLUMER, F.M.,
High Commissioner.

Enclosure 1 in No. 21.

(Confidential.)

Public Works Department, Jerusalem,
11th June, 1926

CHIEF SECRETARY,

Subject: Mavrommatis Concessions.
Reference: Your 7704/26 of 7th June, 1926.

IT is noted that in his letter dated 20th April, 1926,† Sir Charles Cottier states that he is in a position to form and finance a Company to take over the Mavrommatis Water and Electricity Concessions and that he considers shareholders in the Company would make very substantial profits.

* No. 13. † No. 12.

This is satisfactory as it is in the interests of Palestine that any large public utility company operating in the country should be a success.

2. In the same letter Sir Charles Cottier makes a proposal that the Concession should be transferred to the Government in return for a cash payment to the Concessionaire and an undertaking that Sir John Jackson, Limited, should be given a contract to carry out the works on behalf and at the expense of the Palestine Government for an agreed figure.

This proposal means that the Palestine Government should purchase the Mavrommatis Concessions at the high cost of £104,300 and in addition permit Sir John Jackson, Limited, to carry out the water and electricity construction works to their own design and at their own price. Sir John Jackson, Limited, would be assured of substantial profits on construction works and get a large lump sum contract without competition with other firms. The Government would be left with two speculative industrial undertakings from which they might or might not get a return on the large capital expended.

I recommend that the proposal be not accepted.

3. If the Electricity Concession were transferred to the Palestine Government, I believe that the Palestine Electric Corporation would be entitled under their Concession to establish an electricity undertaking in the Jerusalem area.

In any case it is not desirable for many reasons that the Government should construct from public funds, and afterwards operate, a speculative industrial undertaking of this nature.

4. It would be a mistake in my opinion for Government to undertake the heavy financial liability involved in Sir John Jackson's proposals for the supply of water from the Ras-el-Ain source. This is a speculative undertaking and it is very doubtful if the estimated annual profits, £85,000, would be derived at least for some years after the works were completed.

5. It is noted that the Secretary of State for the Colonies is prepared to increase the amount of the Palestine loan. In this connexion reference is invited to my letter W.5 dated 14th May, 1926, on the subject of Sewerage Schemes for Jerusalem, Jaffa, Tel-Aviv and Haifa, and the urgent necessity of proceeding with a sewerage scheme for Jerusalem in particular and of providing the necessary funds under a surplus balances or loan programme.

6. With reference to paragraph 5 of despatch No. 605,* my observations on Sir John Jackson's letter of the 4th May were sent to you in my memorandum W.5/3/3/2 dated 26th May, 1926.

H. B. LEES,
Director of Public Works.

Enclosure 2 in No. 21.

The Treasury, Jerusalem.
15th June, 1926

CHIEF SECRETARY,

Subject: Mavrommatis Concession.
Reference: Your No. 7704/26 of 6th June, 1926.

SIR CHARLES COTTIER in his letter of the 20th April, 1926, estimates the cost of construction and completion of water works and electricity works at Jerusalem as under:—

	£
Water Works	800,000
Electricity Works	270,000
Purchase of existing Water Works	100,000
Purchase of Concession	104,300
Interest on Loan during Construction	75,000
	£1,349,300

The preliminary expenses in forming the new Company are not included.

* No. 13.

Sir Charles Cottier in his letter of the 20th April, 1926, estimates the profits at £85,000 from water and £38,000 from electricity. Presumably, these are net profits after providing for maintenance, amortization, depreciation, and reserve funds.

2. It is difficult to comment on these figures without the data on which they have been compiled; but the estimated profits seem high, particularly in the case of water supply. A net profit of £85,000 itself is the equivalent of 32 per cent. of the present rateable value of the city, and a water rate to produce this profit would be considerably more. The gross revenue of the Jerusalem Water Supply for the current year is estimated at less than £24,000, and the present water rates are, I understand, considered to be high as compared with those of Municipalities elsewhere. It would seem, therefore, that the Company is providing for future requirements of the City on a very large scale, and I understand that the essential needs of the City, now and for some years to come, could be amply provided for at a much lower capital cost. This is an essential point, as capital expenditure by the Company for a water supply largely in excess of requirements might make the Company unprofitable from the point of view of the investor, and ultimately result in increasing the cost of water to the consumer. I agree with the Director of Public Works that it would be improper to accept the designs and costs of Sir John Jackson, Limited, without invitation to tender in the open market. I agree, also, that the preliminary expenses of £104,300 for the purchase of the Concession are high, particularly when it is remembered that the Concessionaire, before going to arbitration, offered the Concession to Government for a considerably smaller sum. In the circumstances, I cannot recommend the proposal that Government should take over the Water Scheme of the Concessionaire.

3. If the Director of Public Works is correct in his belief that should the Electricity Concession be transferred to the Palestine Government, the Palestine Electric Corporation would be entitled, under their Concession, to establish an electricity undertaking in the Jerusalem area, I cannot recommend the proposal that Government should take over the Electricity Scheme of the Concessionaire.

4. I understand that it is essential that the drainage scheme for Jerusalem should be carried out concurrently with the construction of the water supply. It will probably be necessary, therefore, to increase the amount of the loan to provide for the whole or a part of this expenditure.

W. J. JOHNSON,
Acting Treasurer.

C. 14320/26

No. 22.

MESSRS. LANE AND COTTIER to COLONIAL OFFICE.

1, Tower Royal, Cannon Street, London, E.C.4,
19th July, 1926.

DEAR SIR,

Jerusalem Concessions.

WE beg to refer to the letter to you of the 9th instant* from Sir Charles Cottier with regard to the two outstanding points discussed at the interview there referred to, namely:—

(1) Jerusalem drainage.
(2) Source of water supply.

The Contract between Mr. Mavrommatis and Lord Gisborough, dated the 22nd January, 1926 (a copy of which we sent you† on the 18th May, 1926), states:—

Paragraph 1. The Concessionaire transfers to the Trustee (Lord Gisborough) all his rights and benefits in and under the Agreements (the Concession Agreements) dated 25th February, 1926.

Paragraph 5. In the event of this Agreement not being adopted by the Company or the payment there mentioned not being made within four months of the Concession (25th February, 1926) the Concessionaire may give 14 days' notice to terminate the Agreement.

We have been advised by Lord Gisborough that he has received formal notice from Mr. Mavrommatis in the terms of the above paragraph 5 giving notice to terminate the Agreement.

* No. 18. † C. 10404/26: not printed.

As was pointed out at the interview referred to in the above-mentioned letter of the 9th instant, the interested parties cannot even formulate the Capitalization of the intended Company without first fixing the source of supply, and you will see, therefore, how very imperative the settlement of this point is in view of the attitude now taken up by Mr. Mavrommatis.

We would respectfully draw your attention to the paragraph of our letter commencing at the end of the third page, and in particular the circumstances under which, we are instructed, the former Concession to Mr. Mavrommatis was abandoned and the new Concession to him signed.

We should further observe that our clients were advised during the negotiations with Mr. Mavrommatis that the El-Auja was the most likely source to be selected, and that the same was available if the Experts so advised. If our Clients had been aware that a question would have been raised regarding it by Mr. Rutenberg they would not have made the payments which they did to Mr. Mavrommatis and Mr. Malcolm before this point had been definitely settled.

We beg to ask that you will give this communication your earliest consideration, and favour us with a reply.

Yours, &c.,
LANE AND COTTIER.

C. 14320/26

No. 23.

MESSRS. BURCHELLS to MR. E. MAVROMMATIS.

[*Answered by No.* 34.]

21st July, 1926.

DEAR SIR,

re Electricity and Water Concession at Jerusalem.

5, The Sanctuary, S.W.1, 21st July, 1926.

DEAR SIR,

REFERRING to the correspondence which passed between us in March last, respecting rumours which had reached our clients of an assignment by you of the above Concession, when you informed us that you had merely entered into a "usual agreement" with Lord Gisborough, as trustee for a Company to be formed for implementing your Concession, we have now seen a copy of the assignment in question, and find that it does not agree at all with your description of it.

The document in question is nothing more nor less than an absolute assignment, and as such is a breach of the terms of your Concession, but it is so drafted as to have the appearance of being such an agreement as you described in your letter to us of the 15th March last.*

We are instructed to inform you that our clients do not recognize the assignment as having any validity or force, it having been executed without the previous consent in writing of the High Commissioner.

We are informed that Lord Gisborough has deposited plans for the approval of the High Commissioner, and we are instructed to inform you that such deposit is not accepted, and will not be recognized as having been made by you in accordance with the terms of the Concession.

Yours, &c.,
CHARLES T. D. BURCHELL.

C. 14320/26

No. 24.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(No. 926.)

Downing Street, 23rd July, 1926.

MY LORD,

WITH reference to my despatch No. 745 of 17th June,† I have the honour to transmit to you a copy of a letter‡ which has been received from Messrs. Lane and Cottier, stating that Lord Gisborough has advised them that he has received formal notice from Mr. Mavrommatis in the terms of paragraph 5 of the Agreement between Lord Gisborough and Mr. Mavrommatis, giving notice to terminate the Agreement.

* See No. 7. † No. 16. ‡ No. 22.

2. In order to safeguard the position of the Palestine Government, I arranged for Messrs. Burchells, Solicitors to the Crown Agents, to send to Mr. Mavrommatis at once a letter notifying him that his Agreement with Lord Gisborough was not recognized as a valid assignment of the Concessions. A copy of Messrs. Burchells letter* is enclosed. A copy of it was at the same time sent to Messrs. Lane and Cottier.

3. On 22nd July, Sir Charles Cottier called at the Colonial Office and produced a copy of the letter† which Lord Gisborough had received. As you will see from the enclosed copy, it is signed by Mr. James A. Malcolm as Agent for Mr. Mavrommatis, and treats the Agreement of 22nd January, 1926, as having actually lapsed although under clause 5 of that Agreement 14 days' notice to terminate the Agreement must be given, and the Agreement only becomes null and void if within the 14 days the Agreement has not been adopted by the Company to be formed or the £60,000 has not been paid to Mr. Mavrommatis.

4. Sir Charles Cottier discussed the position at some length, and finally promised to send a letter making specific proposals based on :—

(*a*) The definite acquisition from Mr. Mavrommatis for cash of his rights under the Electricity Concession;

(*b*) The acquisition from Mr. Mavrommatis of an option for about 6 months to acquire for a stated sum his rights under the Water Concession, on condition that the Government extends for 6 months the periods during which the concessionaire must

(*a*) deposit plans, etc., and

(*b*) procure the formation of a company to work the Concession.

During this 6 months Sir C. Cottier hopes that decisions may have been reached on the question of the Auja River water and on the drainage of Jerusalem. He stated that until these were settled it would be practically impossible to float a company to take over the Water Concession.

5. I will communicate further with you shortly but I thought it desirable to let you know at once what has happened in regard to the matter.

I have, &c.,
L. S. AMERY.

C. 14231/26

No. 25.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 8.30 p.m., 23rd July, 1926.)

TELEGRAM.

[*Answered by No.* 33.]

No. 214. Your despatch of 9th July, 789.‡ I entirely agree and Cottier will be informed accordingly. Your despatch of 7th July, Confidential,§ I do not think that Chief Secretary's letter of 19th October last year can be withdrawn on the ground that Company has ignored it, in view of Rutenberg's letter of 4th February to Symes and the Jaffa Electric Company's letters of 4th December and 16th April‖ in reply to a letter of 6th October from Colonial Office on same lines as Chief Secretary's letter of 19th October. Copies of these letters are being sent to you.

In the circumstances there are two courses open (*a*) to secure agreement with Rutenberg as to modification of Article 2 of Jaffa Concession, (*b*) to go to arbitration on question of Company's exact rights under present Article. Objections to latter are obvious and I consider it desirable to adopt former course at least in first instance. I have seen Rutenberg personally and tried to persuade him to agree to following clause :—

Begins: (1) The concessionaire agrees that the High Commissioner may use or grant to any other person or company at his discretion the right to use the waters of the Auja Basin for any purpose other than generating electrical energy or irrigation, provided that the total amount of water so used shall not exceed 40,000 c.m. per diem. *Ends.*

* No. 23. † No. 19. ‡ No. 21. § No. 20. ‖ 54582/25 and C. 8346/26 : not printed.

He demurred to figure as too high and also suggested fixing the figures separately for (1) Jaffa area, as to which he declares himself ready to give anything that may reasonably be required, and (2) for Jerusalem. Can you let me have your views on this and also what you regard as the minimum figure for Jerusalem, as well a approximate estimate for future requirements Jaffa area.—AMERY.

C. 14229/26

No. 26.

COLONIAL OFFICE to MESSRS. LANE AND COTTIER.

Downing Street, 24th July, 1926.

GENTLEMEN,

I AM directed by Mr. Secretary Amery to refer to your letter of the 30th of June* and the previous correspondence regarding the proposal made by Sir Charles Cottier that the Mavrommatis Concessions should be surrendered to the Palestine Government in return for an undertaking that Messrs. Sir John Jackson, Limited, should be given a contract to carry out the works contemplated on behalf of and at the expense of the Palestine Government at an agreed figure.

2. As you were informed at the time, that proposal was referred to Lord Plumer for his consideration. Lord Plumer has now replied that, after discussion with his technical advisers, he is unable to recommend that the Palestine Government should accept the proposal.

I am, &c.,
H. BECKETT.

C. 14801/26

No. 27.

MESSRS. LANE AND COTTIER to COLONIAL OFFICE.

[*Answered by No.* 29.]

1, Tower Royal, Cannon Street, London, E.C.4,
26th July, 1926.

DEAR SIR,

Jerusalem Concessions.

WE beg to refer to the interview which our Sir Charles Cottier had with Sir John Shuckburgh at the Colonial Office on Thursday last, and we are writing you as requested upon the several points then discussed :—

(1) *Source of Water Supply.*—You were to communicate with us further after an interview which we understood was to take place with Mr. Rutenberg on Friday last. We await, therefore, your communication.

(2) *Drainage.*—Sir John stated that this question was being considered, and in conjunction with it the question of the finance of a scheme which might be decided upon. To try to be helpful in the matter we saw Mr. Raffety, of the firm of Messrs. Rofe and Son, our clients' Consulting Engineers, who studied this question in Jerusalem, and before expressing his views, Mr. Raffety referred to the firm of Messrs. John Taylor and Sons, who would probably be considered the best expert authority on such a subject. We enclose you copy letter we have received from Messrs. Rofe and Son which indicates that if their recommendation were adopted, the capital cost would be much smaller than was contemplated.

(3) Under Article 4 of the Water and Electricity Concessions certain limits of time for performing the conditions there mentioned are fixed. In view of the

* C. 13155/26 : not printed.

unavoidable delay in dealing with essential features of the water problem and in order to assist our clients in re-arranging their position with Mr. Mavrommatis, Sir Charles suggested that the said limits of time in so far as they have not already been complied with, should be extended for a period of, say, six months and furthermore that it should be agreed that if the conditions are not such as would justify our clients in proceeding with the business, then that Mr .Mavrommatis should have a further period of six months to make other arrangements.

(4) *Electricity*.—Subject to your concurrence in the suggestions in point No. 3, Sir Charles said he would endeavour to make arrangements with Mr. Mavrommatis which would enable the Electricity Works to be commenced at an early date.

(5) *Payment to Concessionaire*.—Sir Charles Cottier called Sir John Shuckburgh's attention to the wording of Article 33 in the Water Concession and Article 31 in the Electricity Concession providing for an increase of rates of charge in the event of the profits being insufficient to pay a dividend of not less than 8 per cent. tax free on such part of its Share Capital and Debentures and Loans as shall have been expended on the undertaking "increased by 10 per cent. to cover the general expenses and the profit of the Concessionaire." Mr. Mavrommatis contends that he is entitled to ask that 10 per cent. of all moneys spent upon the undertaking should be paid to him by way of purchase consideration for his Concession Rights. We find nothing in the Concessions, or in any documents we know of which fixes or suggests what amount of purchase consideration is receivable by Mr. Mavrommatis. If his claim rests upon the interpretation of the above quoted words, it would appear to us that "the General Expenses" would have to be embraced within such 10 per cent. Will you please inform us your interpretation of this clause, and will you kindly at the same time inform us if, so far as you are aware, there is any other document to which we ought to be referred in considering Mr. Mavrommatis' request.

Yours, &c.,
LANE AND COTTIER.

Enclosure in No. 27.

208, Abbey House, 8, Victoria Street, Westminster, S.W.1,
26th July, 1926.

DEAR SIRS,

Jerusalem Water Concession.

WE have given very careful consideration to the question of the drainage of Jerusalem in particular reference to the situation which is likely to arise on the completion of the permanent water works and the consequent ample supply of water.

During his recent visit to Jerusalem our Mr. Raffety had conversations on this important question with Colonel Heron, the Director of Health, and Mr. Clayton, the Sanitary Engineer of Jerusalem.

Four salient features were impressed upon him by these conversations :—

(*a*) The situation in the old City itself is not one which alarms the Health Department as a partial system of drainage already exists therein, which, although the details of it are not known, appears capable of dealing with requirements in a more or less satisfactory manner.

(*b*) It is in the newer parts of the City outside the Old Walls that trouble now exists, and it is in these parts that the situation would become acute.

(*c*) The existing system of cesspools is most expensive both in construction and emptying and a drainage rate would in all probability be much cheaper to property owners.

(*d*) The essential problem is the difficulty of getting the sewage away to a site suitable for disposal works.

We are therefore of opinion that what is immediately required is a system of main intercepting sewers, complete as regards the existing built up area of the City and of sufficient capacity to deal with the probable requirements of the City for the next 30 or 40 years with disposal works which can be extended as required

The subsidiary or branch drains and the extension of the disposal works could be provided and constructed as required from time to time out of Municipal funds as the benefit to property owners would be obvious.

We have discussed this matter with Messrs. John Taylor and Sons, who are of opinion that the cost of providing a main drainage system with disposal works such as we have indicated would not exceed £180,000.

Yours, &c.,
H. ROFE AND SON.

Messrs. Lane and Cottier,
1, Tower Royal,
Cannon Street, E.C.4.

C. 15712/26

No. 28.

MR. E. MAVROMMATIS to COLONIAL OFFICE.

[*Answered by No.* 32.]

c/o Hellenic Club, 25, Linden Gardens, London, W.2,
11th August, 1926.

SIR,

I SHOULD like to be permitted to refer to my two Jerusalem Concessions of 26th February, 1926, and to submit the following for your consideration :—

(1) These Concessions impose upon me the obligation to prepare and deposit final plans either at my own expense or at the expense of the Company to be formed, and after their approval by the High Commissioner of Palestine to form one or two companies to which my Concessions would be transferred.

(2) By letter dated 21st December, 1925,* to my Solicitors, Messrs. Westbury Preston and Stavridi, the Colonial Office informed them as follows :—

"I am directed by Mr. Secretary Amery to inform you that it is understood that the Consulting Engineers of your client, Mr. Mavrommatis, propose shortly to send representatives to Palestine to examine the whole position of the water supply of Jerusalem and the surrounding neighbourhood.

The High Commissioner for Palestine has recently requested that in view of the serious position in regard to the supply, the proposed visit may be arranged with the least possible delay. He points out that it is imperative that improvements should immediately be taken in hand under the supervision of your client's representatives in case a situation such as has occurred recently should recur next year, and Mr. Amery trusts that Mr. Mavrommatis will be able to meet the High Commissioner's wishes in the matter as soon as possible. Every possible assistance will of course be given to Mr. Mavrommatis' representatives by the Palestine Government in order to enable them to carry out their investigations.

(Signed) J. E. SHUCKBURGH."

On 24th December, 1925, my Solicitors informed the Colonial Office that I would do my best to comply with the wishes of the High Commissioner of Palestine.

In fact in spite of the holidays and although the Concessions were not yet signed I had immediately taken the necessary measures to comply with the wishes of the Palestine Authorities and to prove to them at the same time that in spite of the time allowed for in the Agreements, initialled by Mr. Rees and Sir Hamar Greenwood, for preparing and depositing the plans and the formation of the company, I was already in a position and anxious to carry out my obligations as soon as possible. I had my arrangements with persons of standing and ability in London for the construction and for financing the works in view, and on 22nd January, 1926. I signed in the ordinary way a provisional Agreement † with Lord Gisborough as Trustee of the company to be formed. It was agreed between me and the parties, whom the Trustee represented, that they would immediately send suitable engineers to investigate the schemes on the spot and to give effect to the desire of the High Commissioner. Simultaneously, agreements were made between the Trustee of the Company and my Consulting Engineers, Messrs. Rofe and Sons and Messrs. Kincaid, Waller, Manville and Dawson, who undertook to prepare the plans mentioned in my Concessions. On 25th January, 1926, Mr. Raffety, of Messrs. Rofe and Sons, telegraphed to Mr. Lees that he was leaving for Jerusalem, which he actually did on

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* 52560/25 : not printed. † See enclosure in No. 1.

27th January, together with my son and my own engineer, Mr. S. Spyridon, who, on my instructions, had come specially from Jerusalem to place himself at the disposal of the London Engineers and to furnish them with any information which they might in the meantime have required. On 3rd February, Mr. Jackson, of Messrs. Kincaid, Waller, Manville and Dawson, and Mr. Taylor, together with Mr. Westacot and Mr. Brooke of Messrs. Sir John Jackson, Limited, also left for Jerusalem. During the month of February investigations were carried out on the spot, and all the sources capable of supplying the City of Jerusalem with water were examined in the presence of the engineers of the Public Works Department of the Palestine Government and it was proved and admitted on all hands that the only practical and economic source was that of the El-Auja River.

On 11th March, 1926,* Messrs. Burchells wrote to me the following:—

"We are instructed by the Colonial Office to inquire as to the exact position of Sir John Jackson, Limited, with respect to the Concessions recently granted to you by the Government of Palestine for the supply of water and electricity to Jerusalem.

The Colonial Office have received a statement from Sir Hamar Greenwood to the effect that you have agreed to transfer the Concessions, and they have also been approached by Messrs. Lane and Cottier as Solicitors to Sir John Jackson, Limited. It therefore becomes necessary to ascertain definitely what the position is.

We would point out that, under the terms of the two Concessions, the only assignment you are entitled to make is one in favour of the new company to be formed in accordance with the Agreement. If any other assignment is contemplated the consent of the Government of Palestine will be required.

(Signed) BURCHELLS."

On 15th March I wrote† to Messrs. Burchells as follows:—

"In reply to your favour of the 11th instant, I beg to state that you may be assured that I have done nothing contrary to the provisions of the two Jerusalem Concessions to which you refer. But I have entered into what is, I believe, a usual Agreement with Lord Gisborough as Trustee for a company to be formed for implementing these Concessions. Messrs. Sir John Jackson, Limited, are to undertake the construction of the work involved. Messrs. Lane and Cottier are acting as Solicitors to Messrs. Sir John Jackson, Limited, and their friends. Sir Hamar Greenwood is the Counsel. In the circumstances, the Crown Agents would be at liberty to enter into direct negotiations with Lord Gisborough as Trustee for the intended company and with Messrs. Sir John Jackson, Limited, as the Contractors.

When I had the pleasure of seeing your Mr. Charles Burchell I mentioned that, as a consequence of my Agreement with Lord Gisborough, practical steps had already been taken for the realization of the objects of these Concessions. A number of well-known engineers recently visited Palestine and examined the respective Water and Electricity Schemes on the spot and they were, I understand, in close consultation with the competent authorities there.

Messrs. Lane and Cottier have sent me extract from a letter they have received from the Colonial Office dated 9th March, 1926,‡ as follows:—

'I am directed by Mr. Secretary Amery to inform you that he is in a position of some difficulty in this matter, since the Crown Agents who duly executed with Mr. Mavrommatis the two Concessions on the 25th ultimo and a supplementary agreement (which he understands to be in the form forwarded in your letter of the 19th January§) on the 28th ultimo, have not yet succeeded in obtaining from Mr. Mavrommatis any authoritative statement regarding his transactions with your clients. The Crown Agents have been instructed to pursue the matter further, but you will appreciate that in the absence of such a statement from the other signatory of the documents, Mr. Amery is unable to enter upon binding negotiations with yourselves or your clients.'

There would appear to be some misapprehension as your letter now under reply is the first intimation I have yet received of the desire of the Crown Agents for information.

(Signed) MAVROMMATIS."

* Not printed: see No. 6. † Enclosure in No. 7. ‡ No. 5. § No. 1.

On 1st April, 1926, Messrs. Burchells wrote to me the following:—

"Referring to our letter to you of the 11th ultimo, and your reply of the 15th idem, we are instructed by the Secretary of State for the Colonies* to inform you that our said letter was not intended to convey any imputation of improper action on your part, but was written merely to obtain from you an authoritative statement as to how matters stood in regard to the Concessions.

Your letter has given the required information, and the Secretary of State has written to Messrs. Lane and Cottier offering to meet and discuss the necessary details of the business with them.

(Signed) BURCHELLS."

(4) In virtue of my reply of 15th March, 1926, the Palestine Authorities arranged with Messrs. Sir John Jackson, Limited, for the construction of temporary works which I venture to admit could not have been carried out without my tacit consent. During March and April, 1926, the final plans were prepared in London by the Consulting Engineers above mentioned, and on 23rd April, 1926, they were forwarded to Palestine by Lord Gisborough, obviously acting under my authority and in his capacity as Trustee of the future company, for the account of which the expenses were incurred and paid. The High Commissioner of Palestine acknowledged the receipt of the plans on 5th May, 1926, and the Public Works Department of Palestine asked that Mr. Raffety and Mr. Jackson, who had respectively prepared the plans for the Water and Electricity, should again go to Jerusalem to discuss details, which they did in May last.

According to my information all the technical points were agreed and the El-Auja source was definitely considered the only practical and economic one, though it was referred to the Colonial Office† for formal approval.

(5) According to information I have received from my friends, including Sir Hamar Greenwood, the Colonial Office, in consequence of some objection raised by Mr. Rutenberg to my using the El-Auja source, was unexpectedly faced with an embarrassing difficulty, which was going to be removed in a few days. From day to day I was expecting a favourable solution of this difficulty and the approval of the plans when on 21st July, 1926, to my great astonishment and disappointment shortly before the expiration of the statutory period for the formal approval of the plans, I received the following letter‡ from Messrs. Burchells:—

"Referring to the correspondence which passed between us in March last, respecting rumours which had reached our clients of an assignment by you of the above Concession, when you informed us that you had entered into a 'usual Agreement' with Lord Gisborough, as Trustee for a Company to be formed for implementing your Concession, we have now seen a copy of the assignment in question, and find that it does not agree at all with your description of it.

The document in question is nothing more nor less than an absolute assignment, and as such is a breach of the terms of your Concession, but it is so drafted as to have the appearance of being such an agreement as you described in your letter to us of the 15th March last.

We are instructed to inform you that our clients do not recognize the assignment as having any validity or force, it having been executed without the previous consent in writing of the High Commissioner.

We are informed that Lord Gisborough has deposited plans for the approval of the High Commissioner, and we are instructed to inform you that such deposit is not accepted and will not be recognized as having been made by you in accordance with the terms of the Concession.

(Signed) BURCHELLS."

In order to save time I asked Messrs. Burchells for an interview, which they kindly accorded me on 22nd July at 3 p.m. at their office. I informed Mr. Charles Burchell that I was advised my Agreement of 22nd January, 1926, with Lord Gisborough could not possibly be considered as "an absolute assignment," seeing that I could cancel it after four months if Lord Gisborough, the Trustee, did not carry out its conditions. Mr. C. Burchell told me that he was already aware that I had given Lord Gisborough notice of cancellation and asked what I proposed to do

* No. 9. † See No. 18. ‡ No. 23.

with my Concessions when the agreement with the Trustee lapsed. I explained to him what my intentions were and I added that I was advised that it was practically impossible to form a company without making an agreement with a Trustee, and that the Trustee could not undertake any responsibility or expense unless my interests were provisionally placed in his hands, and that in effect my interests in the Concessions subject to their provisions were temporarily and provisionally placed in an escrow. As to myself I was bound to make myself absolutely sure and certain that the Trustee would be in a position to carry out the obligations under my Concessions.

According to these Concessions I am obliged to form the companies within 12 months or to run the risk of losing them. It is therefore clear that I could not give the Trustee a longer option than four months because in case he found it impossible to form the companies I should have sufficient time before me to form the company or companies through other friends and to fulfil my obligations. Also as according to the terms of the Concessions the company cannot be formed until after the approval of the plans, and as the period of four months might have proved insufficient in which to obtain such approval, it was my duty to have recourse to the only means which could reasonably assure me of the fulfilment of the obligations of the Trustee with regard to the formation of the company; that is to say, a concrete guarantee by way of payment down of a substantial sum at the end of the four months if he wished to go on with the business.

With regard to the plans already deposited, I told Mr. Burchell that since the month of December the Colonial Office knew from the letter of my Solicitors that the Engineers were leaving as soon as possible for Jerusalem to investigate and prepare the plans. Immediately after their arrival they had got into touch with the authorities and they had discussed in common accord all the technical questions. Lord Gisborough in depositing the plans had conformed to an obligation of my Agreement with him, which says that in case of its termination all the plans, reports, etc., prepared shall be handed to me as my property.

I told Mr. Burchell that I would again refer to the contents of my letter of 15th March, 1926, and to his reply of 1st April, 1926, and that I was advised and I was convinced that my Agreement with Lord Gisborough was purely provisional. I asked Mr. Burchell if I should reply to his letter of 21st July and he said, *inter alia*, it was not necessary as he would treat the interview as my reply.

(6) I told Mr. Burchell that the objection raised by Rutenberg to my taking the water from the El-Auja source was without justification and without any legal force. I also pointed out to him that according to the opinion expressed by the Permanent Court of International Justice, in its Judgment of 30th August, 1924, "the Palestine Authorities would be bound to recognize my rights under my two Jaffa Concessions in virtue of a general principle of international law to the application of which the obligations entered into by the Mandatory created no exception."

In order to make the position perfectly clear I asked the permission of Mr. C. Burchell to send him a memorandum on this subject, which I did on 28th July, 1926, and of which I have the honour to enclose herewith a copy in English.

(7) The time allowed by my Concessions for the completion of the plans are seven and eight months. I have succeeded in having them completed within two months only of the date of the signature of my Concessions. Since then the three months allowed for their approval expired on the 5th instant. Unfortunately the settlement of the question of the source and the approval of the plans are delayed from day to day and as the formation of the company depends on the approval of the plans I find myself with hands tied and in a position exceedingly harmful to my interests. I need hardly mention how many years I have now been waiting for the termination of this business.

I would recall that when my Concessions were re-adapted I agreed to reducing the period of 17 months (allowed in my original Concession) to 12 months for forming the companies, on the ground that the water was urgently needed and on the assurance that when the plans were deposited they would be very quickly approved. By the delay I will have lost precious time and I venture to consider that any such loss of time should be added to the period within which I am to carry out my obligations.

I am convinced, Sir, that you would consider it very unjust that I should be expected to carry out my obligations under my Concessions, while the approval of the plans contrary to the obligations of the High Commissioner is deferred indefinitely from day to day, and therefore, as the settlement of the misunderstanding by correspondence would involve a loss of time injurious as well to my interests and

obligations as to the interest of Jerusalem itself, I would respectfully crave the favour of an interview at the earliest date most convenient to yourself, unless indeed as I confidently hope the above facts and those furnished to Mr. Burchell may conduce to the plans being immediately approved.

In case, however, you deem it necessary to see me, as I speak very little English, and if it should not be convenient to you to speak to me in French, you will perhaps kindly permit me to bring my interpreter with me.

I have, &c.,
E. MAVROMMATIS

Enclosure in No. 28.

MEMORANDUM FOR THE PERSONAL INFORMATION OF MR. C. BURCHELL REGARDING THE RIGHTS OF MR. MAVROMMATIS ON THE SUBJECT OF THE CHOICE OF SOURCE. UNFOUNDED OBJECTION OF MR. RUTENBERG AND THE RIGHT OF MR. MAVROMMATIS ON THE JAFFA CONCESSIONS.

(*a*) *The right to take water from the El-Auja Source.*

1. ACCORDING to Article 5 paragraph 2 page 5 of the original Water Concession of 1914, Mr. Mavrommatis had the right, independently of the projected Aroub and Ain-Fara Schemes, to submit to the authorities any other scheme convenient to himself together with plans relating thereto for bringing and supplying the City of Jerusalem with the quantity of water provided for by Article 3. In case of disagreement between the authorities of Jerusalem and the Concessionaire regarding the choice of the source to be adopted the Minister of Public Works in Constantinople was to decide.

2. The differences of opinion between the Colonial Office and the Concessionaire on the subject of the validity of his Concession brought the matter before the International Court of the Hague, which settled the question by its Judgment of 26th March, 1925. It is well to note the following extracts of the Judgment (page 43, paragraph 3):—

> "As regards the influence of the Zionist Organization in the affairs of Palestine, this influence, for which provision is made in the Mandate itself existed already from the moment when the Mandate came into force, and it seems hardly permissible to doubt that the British Government, which has declared that it will allow Mr. Mavrommatis full liberty to put into execution his Jerusalem Concessions, will loyally take steps to ensure that its promise is respected and, if necessary, protect Mr. Mavrommatis against any attempt to prevent the execution of his Concessions."

and the decision of the Judgment, page 51 paragraph 2.

3. The Greek Legation in London by its letter of 27th April, 1925, informed the Foreign Office that the Greek Government conforming to the findings of the Judgment of the International Court of the Hague, had appointed Sir Hamar Greenwood as the expert to Mr. Mavrommatis and requested His Britannic Majesty's Government to appoint their own expert in order to discuss and settle the conditions of the re-adaptation of the two Jerusalem Concessions. In July, 1925, the Colonial Office informed Sir Hamar Greenwood that Mr. Lees, Director of Public Works in Jerusalem, had been appointed expert of His Britannic Majesty's Government.

At their first meeting of the two experts the quantity of water to be provided for the City of Jerusalem according to the actual needs of the population was discussed. Mr. Lees categorically stipulated that the 3,000 M3 provided for in the Concession of 1914 should be increased to 6,000 M3 and with the provision that the works to be constructed should have a sufficient capacity to increase this supply from 6,000 M3 to 11,000 M3. Sir Hamar Greenwood accepted Mr. Lees' stipulations but he pointed out to him at the same time that the only source capable of giving such a supply on the most favourable and economic conditions was that of the El-Auja.

4. In October and November, 1925, during the discussions between Mr. Lees and Mr. Raffety of Messrs. Rofe and Sons, the Consulting Engineers of Mr. Mavrommatis, for the re-adaptation of the technical conditions and the rates, Mr. Raffety submitted to Mr. Lees a provisional scheme for supplying the Town of Jerusalem from the El-Auja Source. In virtue of this scheme the approximate capital cost of the works was discussed between these two experts, i.e., Mr. Lees and Mr. Raffety,

and it was settled that the maximum rate in order to show a dividend of 8 per cent. should be 7 piastres per M3. The Colonial Office and the British expert were therefore aware that Mr. Mavrommatis was going to take the water from the El-Auja Source. Finally, the two experts came to an agreement on all the points of the proposed re-adaptation. A *Proces Verbal* was prepared by them in December, 1925, and by virtue of this *Proces Verbal* the final Agreements were signed and exchanged on the 26th February, 1926, between the Crown Agents and Mr. Mavrommatis. Article 6 of the Water Concession of 26th February, 1926, page 4, paragraph 2, states as follows:—

5. "Such works shall be capable of obtaining from a source or sources to be approved by the High Commissioner and conveying and supplying to the Concession Area potable water amounting in the first instance to not less than 6,000 cubic metres per day and the works shall be designed that the supply of water may be increased up to 11,000 cubic metres as and when necessary for the requirements of the Concession Area."

Last February, whilst the investigations were carried out by the engineers appointed for this work, all the sources in the neighbourhood of Jerusalem were examined in the presence of Mr. Lees and the competent engineers of the Public Works Department of Palestine, and it was proved and admitted that the only source capable of giving the quantity of water required according to the Concession is that of the El-Auja. The waters of Jericho and of the Jourdain had been considered by all the engineers of both parties as inconvenient and impracticable involving very much greater works and expenses and much to the detriment of the interests of the country and contrary to the provisions of the Concessionary Agreement.

6. In virtue of the decision taken last February by the engineers the plans and final schemes were prepared and submitted for the approbation of the High Commissioner on 5th May, 1926. Mr. Raffety, of Messrs. Rofe and Sons, who completed the final plans, went again to Jerusalem in May last in order to discuss the details and have the plans approved. All the technical conditions of the deposited plans were approved by the engineers of the Government of Palestine, which proves that the only source which can give the quantity of water required of 6,000 M3 to 11,000 M3 per day and on the most favourable and economic conditions possible is the only one of the El-Auja. But the question of the source has been referred by the High Commissioner to London to be approved by the Colonial Office.

7. According to Articles 5 and 6 of the original Concession of 1914, in case of disagreement on the question of the source to be adopted it was the Minister of Public Works who had to decide and the plans to be approved within a maximum period of three months. According to the Concession of 26th February, 1926, Article 4, page 3, paragraph 6, the Concessionaire is to submit his plans within the period provided and the High Commissioner should declare within three months if he approves of them or if he desires to make any modifications. In case of disagreement they shall be submitted to an independent expert to be chosen by the President of the Institution of Civil Engineers in London and his decision shall be binding on both parties. The period of three months expires on 5th August. There is no objection on the part of the Palestine Authorities to the technical conditions already approved. As regards the choice of the source the parties are agreed that the only favourable and economic source is that of the already chosen source of El-Auja. The Colonial Office in consequence of the objection of Mr. Rutenberg defers the decision and meanwhile the end, the 5th of August, approaches.

(*b*) *Objection of Mr. Rutenberg unfounded.*

8. The British Government asked Mr. Rutenberg the following: (second Book of the Hague, Sixth Session, No. 7-11, page 114, paragraph 4): "Do you or Corporation object to or have they ever objected to Mr. Mavrommatis carrying out his Concession for the supply of water to Jerusalem? Have you or Corporation ever negotiated with him for purpose of coming to an agreement as to or buying out that Concession."

And Mr. Rutenberg answered (page 115, paragraph 2): "I say that neither I nor the Palestine Electric Corporation, Limited, object or have ever objected to Mr. Mavrommatis carrying out the Concession of water to Jerusalem, nor have I or the Palestine Electric Corporation, Limited, ever negotiated with him for the purpose of coming to an agreement as to or buying out that Concession."

Mr. Rutenberg has not therefore by his answer made any reservation on the subject of using the El-Auja waters for supplying the City of Jerusalem, but he has declared in a categorical manner that he has nothing against it.

9. The findings of the Judgment of the International Court of the Hague, page 51, paragraph 2, are as follows: "That the existence, for a certain space of time, of a right on the part of Mr. Rutenberg to require the annulment of the aforesaid Concessions of Mr. Mavrommatis was not in conformity with the international obligations accepted by the Mandatory for Palestine."

If Mr. Rutenberg bases his actual objection on his concessionary right of 1921, these rights have been condemned by the International Court; if on the contrary he relies on another agreement arrived at meanwhile between himself and the Palestine Authorities, this agreement would be contrary to the obligations of the High Commissioner mentioned in Article 4, page 3, paragraph 7, of the Agreement exchanged on 26th February, 1926, between the Crown Agents and Mr. Mavrommatis, which says: "And in the meantime the High Commissioner will not grant any concession or licence conflicting with the rights and privileges comprised in this Concession."

(*c*) *The Rights of Mr. Mavrommatis on his Jaffa Concessions.*

10. His rights date from 28th January, 1914, and are explained in detail in the Greek Memorandum in French, page 122-130 of the Book Series C of the International Court of the Hague.

The Court, in its Judgment of 30th August, 1924, page 28, paragraph 3, states textually as follows:—

"The Court has not to give an opinion on the merits of this contention. It will suffice to observe that if on the one hand, Protocol XII being silent, regarding concessions subsequent to 29th October, 1914, leaves intact the general principle of subrogation, it is, on the other hand, impossible to maintain that this principle falls within the international obligations contemplated in Article 11 of the Mandate as interpreted in this Judgment. The Administration of Palestine would be bound to recognize the Jaffa Concessions, not in consequence of an obligation undertaken by the Mandatory but in virtue of a general principle of international law to the application of which the obligations entered into by the Mandatory created no exception."

C. 14801/26

No. 29.

COLONIAL OFFICE to MESSRS. LANE AND COTTIER.

[*Answered by No.* 38.]

GENTLEMEN, Downing Street, 12th August, 1926.

I AM directed by Mr. Secretary Amery to acknowledge the receipt of your letters of the 26th* and 27th of July,† relating to the Jerusalem Water Supply and Electric Light and Power Concessions.

2. As regards the possibility of obtaining a supply of water from the River Auja, I am to state that the Secretary of State is still in communication with the High Commissioner for Palestine and that a further communication will be made to you as soon as possible.

3. As regards the question of improving the drainage of Jerusalem, the position is as stated in the course of the interview between Sir John Shuckburgh and Sir Charles Cottier. The Palestine Government are taking steps to obtain the services of an expert to proceed to Palestine and advise them and the Municipalities concerned, and are not at present in a position to make any statement on the steps if any, which the Jerusalem Municipality propose to take in the matter. Mr. Amery notes from the enclosure to your letter that Messrs. Rofe and Son are of the opinion that a system which would be satisfactory for immediate purposes could be created for a sum of £E.180,000, but the Municipality is not at the present time in a position to embark on expenditure on this scale; nor is there any present prospect of their becoming able to do so for a number of years to come. In these circumstances, it is difficult to see any prospect of proceeding with the installation of a drainage system unless a much cheaper system can be devised.

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* No. 27. † C. 14856/26: not printed

4. As regards the Jerusalem Water Concession Agreement, if Mr. Mavrommatis, before the 25th of September, 1926, enters into an agreement with your clients (which agreement is approved by the Secretary of State) by which he gives your clients an option for six months to acquire all his rights under that Concession and agrees that during that period he will not exercise any of the said rights, the Government of Palestine will, if your clients do not exercise the option, grant to Mr. Mavrommatis an extension of six months of the periods during which, under Article 4 of the Concession Agreement, the Concessionaire must (*a*) submit the plans, drawings and specifications of the works, and (*b*) procure the formation of a company.

5. If your clients exercise the option referred to above, and obtain from Mr. Mavrommatis an assignment approved by the High Commissioner of all Mr. Mavrommatis' rights under the Concession and a full Release for the Government of Palestine, the Government of Palestine will grant your clients the same extensions of time as those mentioned above.

6. As regards the Jerusalem Electricity Concession Agreement, if Mr. Mavrommatis, before the 25th of September, 1926, enters into an agreement with your clients (which agreement is approved by the Secretary of State) by which he assigns to your clients outright his rights under that agreement and gives a full Release for the Government of Palestine, the Government of Palestine will approve the assignment.

7. As regards the fifth paragraph of your first letter,* I am to state that Mr. Amery concurs in your interpretation of Article 33 of the Water Concession Agreement and Article 31 of the Electricity Concession Agreement. It is the case that these agreements make no provision for any cash payment to the Concessionaire by the company to be formed to carry out the Concession. It merely provides that the maximum rates to be paid for water or electricity may be fixed at such a figure as to allow the payment of a dividend at the rate of 8 per cent. upon a sum made up of (*a*) the actual cost of the works carried out under the Concession, and (*b*) an additional amount of 10 per cent. of (*a*), this latter amount being intended to cover the profits of the Concessionaire and all capital expenses other than the cost of the works.

8. As regards your letter of 27th July,† I am to state that the prospectus of the intended company would have to be approved by the High Commissioner, and that the terms of the acquisition by the company of the existing water works in Jerusalem would have to be settled by the company with the High Commissioner; but that in both cases the high Commissioner would consult the Secretary of State before coming to a final decision.

I am, &c.,
H. YOUNG.

C. 15974/26

No. 30.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 16th August, 1926.)

(No. 885.)

Government Offices, Jerusalem, 5th August, 1926.

SIR,

I HAVE the honour to refer to your despatch No. 885 of the 15th of July, 1926,‡ on the subject of the drainage schemes for Jerusalem and other towns in Palestine, and to inform you that the three questions raised during the interview granted by you to Sir Charles Cottier have already been discussed by me in separate despatches.

2. I desire, however to take this opportunity of referring to the statements contained in the fifth and sixth paragraphs of Sir Charles Cottier's letter of the 9th of July,§ a copy of which was attached to your despatch, to the effect that the Mavrommatis Concessions were finally settled on the understanding that Mr. Rutenberg withdrew all his objections to the use of the waters from the El-Auja for the purposes of the Jerusalem water supply and further that the intervention of Mr. Rutenberg and the lack of a drainage system are factors which are still the cause of delay in carrying out the terms of the Concession. I am of opinion that these statements are misleading.

* No. 27. † C. 14856/26: not printed. ‡ C. 12912/26: not printed. § No. 18.

3. I am advised that during the revision of the original Mavrommatis Concessions by the two experts, the Government expert, when informed that the Concessionaire proposed to obtain water from the Auja Basin, particularly pointed out to Sir Hamar Greenwood and to Mr. Raffety, the latter being the Concessionaire's Water Engineer, that Mr. Rutenberg claimed the exclusive right to the use of the waters from the Auja Basin under a Concession granted to him by the Palestine Government; and that, if it was eventually decided, after investigations, that the Auja River was the most economical and best source for the supply of water to Jerusalem, that it rested with the Concessionaire or the Company to obtain Mr. Rutenberg's consent. It is quite incorrect to state that the Concessions were finally agreed upon on the understanding that Mr. Rutenberg withdrew his objections.

4. The lack of a proper drainage system in Jerusalem and the necessity for such a system before any full water supply could be utilized was also particularly pointed out to the Concessionaire's representatives by the Government expert during the proceedings. Clause 19 (*c*) of the revised Water Concession was inserted in view of this drainage question.

5. I maintain therefore that the Concessionaire and his advisers throughout the protracted proceedings of the revision of the Concessions were fully acquainted both with Mr. Rutenberg's attitude in the matter of the Auja Basin and the position regarding the drainage of Jerusalem.

I should be glad if you would cause Sir Charles Cottier's attention to be drawn to these facts.

I have, &c.,
PLUMER, F.M.,
High Commissioner.

C. 15712/26

No. 31.

COLONIAL OFFICE to THE CROWN AGENTS FOR THE COLONIES.

Downing Street, 21st August, 1926.

GENTLEMEN,

I AM directed by Mr. Secretary Amery to refer to Mr. Charles Burchell's letter of the 30th of July* to Mr. Bushe relating to the Mavrommatis Concessions, and to transmit to you herewith a copy of a letter received from Mr. Mavrommatis and dated the 11th of August.†

2. I am to request that Messrs. Burchells will inform Mr. Mavrommatis that they have been instructed to reply to his letter and to state that Mr. Amery is unable to modify his opinion that he had no right under the terms of his Agreements with the Crown Agents to enter into the agreement with Lord Gisborough without the consent of the Palestine Government, and that in these circumstances Mr. Amery is unable to accept the deposit of certain plans by Lord Gisborough as a deposit of plans in accordance with the terms of the Agreements.

3. Messrs. Burchells should add that Mr. Mavrommatis is mistaken in thinking that those Agreements prohibit the formation of the company before the plans are approved, and, indeed, it is clear from the various time limits laid down that if full advantage was taken of each period, and if the Government required a modification in the plans originally submitted, the process of obtaining approval for the plans would take longer than the period of a year within which the company has to be formed.

4. In these circumstances Mr. Amery does not think that a personal discussion at the present time would serve any useful purpose, since nothing more can be done until a proper deposit of plans has been made in accordance with the terms of the Agreements.

5. In addressing Mr. Mavrommatis in these terms Messrs. Burchells will, no doubt, make any reservations which they may think desirable regarding the statements imputed to them in Mr. Mavrommatis' letter.

I am, &c.,
H. YOUNG.

* C. 15189/26: not printed. † No. 28.

C.17164/26

No. 32.

MESSRS. BURCHELLS to MR. E. MAVROMMATIS.

[*Answered by No.* 34.]

DEAR SIR, 5, The Sanctuary, S.W.1, 26th August, 1926.

REFERRING to your letter of the 11th instant,* addressed to the Under-Secretary of State for the Colonies, we are instructed to state that Mr. Secretary Amery is unable to modify his opinion that you had no right, under the terms of your Agreement with the Crown Agents, to enter into the agreement with Lord Gisborough, without the previous consent of the Government of Palestine, and that under these circumstances, Mr. Secretary Amery is unable to accept the deposit of certain plans by Lord Gisborough as a deposit of plans in accordance with the terms of your Agreement.

We are instructed to state that in the opinion of the Secretary of State you are mistaken in thinking that your Agreement prohibited the formation of the company referred to therein before the plans are approved, and that it is clear, from the various time limits laid down, that if full advantage were taken of each period, and if the Government required a modification in the plans originally submitted, the process of obtaining approval of the plans would take longer than the period of one year, within which the company is to be formed.

In these circumstances, Mr. Secretary Amery does not think that a personal discussion at the present time will serve any useful purpose, since nothing more can be done by him until a proper deposit of plans has been made, in accordance with the terms of your Agreement.

We are, &c.,
BURCHELLS.

C. 16719/26

No. 33.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 31st August, 1926.)

(Confidential (B).)

Government Offices,
Jerusalem, 20th August, 1926.

SIR,

I HAVE the honour to refer to your telegram No. 214 of the 23rd July, 1926,† concerning the utilization of the waters of the River Auja for domestic and drinking purposes in Palestine, and to your despatch No. 986 of the 3rd of August, 1926,‡ transmitting copies of correspondence with the Jaffa Electric Company on the same subject.

2. I accept, of course, your instruction that the Chief Secretary's letter of the 19th of October, 1925, cannot be withdrawn, but I most respectfully submit that I am placed in a difficult position if value is to be attached to a private letter sent by Mr. Rutenberg to one of my officers without reference to my official letter to the Jaffa Electric Company issued as a result of your instruction, while, concurrently, the Company exchange official correspondence with your Department on the same matter of the terms of which I am not made aware.

3. Since the correspondence has not issued in a recognition by the Jaffa Electric Company of the right of the Government to utilize the waters of the Auja for the Jerusalem Water Supply as long as this is under concession, the main value to be attached to the letters lies in the consideration whether they may have modified any public rights existing in and to the Auja waters after the grant of the concession.

4. Nevertheless it is instructive to estimate what would have been the effect if the proposal of the Company to site the Power House at Abu Rabah Mill had been approved. I am advised by the Director, Department of Public Works, in a minute of which I enclose a copy, that in that case the argument advanced in paragraph 10 of my despatch of the 7th of July, 1926,§ would not be valid. No water would be lost for irrigation, but by the construction of the Power House at this site the level of

* No. 28. † No. 25. ‡ C. 8346/26: not printed. § No. 20.

the water for irrigation purposes would be lowered by five metres and, in consequence, the area of land that could be utilized for irrigation would be reduced. It is, however, most important to observe that from the figures given by the Company it would appear that if this site which is close to the source had been utilized, then, in the dry weather season alone, there would have been more than four times the flow in the Auja River than the maximum quantity required for irrigation in the area of the basin available for irrigation purposes. You will observe that Mr. Lees suggests that the map (Army Survey, 1918) on which he worked may not be accurate, and that he makes allowance for non-irrigable land in the area; but, even including all land in the area, it is not credible that the map is so inaccurate that its correction will so alter calculations as materially to reduce the quantity of water in excess of maximum requirements for irrigation in the whole irrigable region.

5. The following conclusions may therefore be drawn:—

(1) To release the Company from the obligation to construct a Power House at Jerishe is to yield them at least 120,000 cubic metres of water *per diem* in excess of the quantity of water which would otherwise have been available for irrigation purposes under the signed concession, and moreover, having regard to the level of Jerishe, little, if any, of this water could in fact be used for irrigation purposes.

(2) That no matter where a Power House is constructed, there is a greater quantity of water in the dry weather flow of the Auja than can be utilized by the Company to satisfy the maximum requirements of the concession.

6. It is, therefore, my view that the Government on behalf of the people of Palestine have the right to utilize for all public purposes other than those of power and irrigation within the concession area large quantities of water from the Auja River which could not in the nature of things be other than surplus to the concession requirements of the Jaffa Electric Company. The problem, then, as I conceive it is to determine those public rights in as precise a manner as possible.

7. It is convenient at this stage to recall that according to the enclosures that accompanied your despatch No. 85 of the 15th July, 1926,* Messrs. Lane and Cottier obtained the opinion of Counsel on the claim of Mr. Rutenberg that the Auja Concession precludes the High Commissioner without his consent from granting a concession to a Water Company to take their supplies from the Auja River. The opinion of Counsel appears to have been that any such claim to the ownership of the waters of El-Auja is untenable.

8. Messrs. Lane and Cottier therefore have been advised that the rights of the Jaffa Electric Company are limited; and, in my view, concerned as I am with the interests present and future of the country, the people of Palestine have definite rights in the Auja River that ought not to be readily surrendered or diminished or treated in a manner that may embarrass future governments of this territory, over which the Palestine Electric Corporation, which may absorb the Jaffa Electric Company's concession, has concession rights for 70 years.

9. I feel bound, therefore, to submit that the whole of this important question should be laid for opinion before the Law Officers of the Crown, with a view to determining:—

(1) What rights in the waters of the Auja River remained to the Government of Palestine after the Auja Concession was granted in September, 1921, having regard to the plans referred to in the First Schedule to the Concession; and

(2) How far have those rights been modified by correspondence with the Jaffa Electric Company since their concession was granted with especial reference to the facts that neither the Yarkon Power House nor any other power house has been constructed and that this Government have acquiesced in that course.

10. Since I hold these views you will appreciate that I see no advantage in attempting at present to negotiate with the Jaffa Electric Company for a modification of Article 2 of their Concession on the lines suggested in your telegram.† If the Company accepted the amendment it might eventually be found that there had been conceded to the Company quantities of water to which the public of Palestine were fully entitled and of which at some time during the next 70 years they could make full use.

* C. 12912/26: not printed. † No. 25.

11. It is obvious that I am not able to give reliable information as to what quantities of water will be required in the future for that part of Palestine that can be served for domestic purposes with water from the Auja. Such an estimate depends entirely on circumstances of which neither I nor my advisers can have foreknowledge. Further I think it unsound in principle to endeavour to limit public rights in the waters of the river to the interests of Jaffa area and Jerusalem City. So far as these interests are concerned my advisers find it difficult to estimate future requirements; but they are satisfied that 40,000 cubic metres of water a day are the minimum quantity that should be reserved for public purposes other than those reserved to the Company in the Concession.

12. I am, of course, averse from taking any steps that may seem to delay the execution of a Water Supply for Jerusalem and its concomitant, a drainage scheme, but the public interests involved are so important that I am obliged to recommend the course suggested in paragraph 9 above, and I hope that you will cause the matter to be treated as urgent.

I have, &c.,
PLUMER, F.M.,
High Commissioner.

Enclosure in No. 33.

(Confidential.)

Public Works Department,
Jerusalem, 18th August, 1926.

CHIEF SECRETARY,

Subject: Water supply, Jerusalem: suggested use of the Auja Source.
Reference: Your 11561/26 dated 16th August, 1926.

CLAUSE 3 of the Rutenberg Auja Concession requires that the Concessionaire shall set up a power house in the neighbourhood of Jerishe to be called the Yarkon Power House. The sketch tracing* forwarded herewith shows the position of Jerishe and Abu Rabah Mill both on the River Auja. It will be seen that the Abu Rabah Mill site is near the source of the river.

2. In their letter dated 24th September, 1925, the Jaffa Electric Company, in proposing the Abu Rabah Mill site for the power house, state that the difference of levels of the reservoir and the tail race down stream would be 5 metres. It was intended here to use the whole flow of the river for hydro-electric purposes. The effect of the proposal would be that no water would be lost for irrigation, but by the construction of the power house at this site the level of the water for irrigation purposes would be lowered by a height of five metres, thereby reducing the area of land that could be irrigated. It is not possible from the maps available in this office to state what this area represents.

The argument in paragraph 10 of the High Commissioner's despatch of the 7th July, 1926, does not therefore hold for the Abu Rabah Mill site: but though there would be no loss of water there would be a reduction in the area of land capable of being irrigated.

3. The Jaffa Electric Company, in their letter dated 16th April, show that a quantity of 2 cube metres per dunum per day is required for irrigation of orange groves, or 20,000 cube metres per day for 10,000 dunums. The tail race level of the suggested power house at the Abu Rabah Mill site is 26 metres. I have endeavoured in the limited time available to find out what area below the level of 26 metres is available for irrigation purposes in the Auja Basin. Calculated from the only available contoured map in this office, which may not be accurate, the area capable of irrigation is roughly 100,000 dunums. Deducting say 20 per cent. for land not suitable for irrigation gives an irrigation area of 80,000 dunums. According to the calculations of the Jaffa Electric Company these 80,000 dunums if all planted in orange groves would require 160,000 cube metres per day. The dry weather flow of the Auja is stated to be 8½ cube metres per second or 735,000 cube metres per day. If the plan referred to is anything like correct, it would appear that the dry weather flow of the Auja River is more than four times the quantity required for irrigation purposes.

H. B. LEES,
Director of Public Works.

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* Not reproduced.

C. 17164/26

No. 34.

MR. E. MAVROMMATIS to MESSRS. BURCHELLS.

DEAR SIRS, 25, Linden Gardens, Bayswater, W.2, 2nd September, 1926.

I AM obliged for your letter of the 26th ultimo,* and regret to learn that Mr. Secretary Amery holds to the opinion that I was not entitled to enter into the agreement with Lord Gisborough without the previous consent of the Government of Palestine. I do not read the agreement with the Crown Agents for the Colonies in this manner. My duties are to submit plans within a certain period and to form a Limited Liability Company or Companies within a fixed period, the Memorandum and Articles of which are to be first approved by the High Commissioner of Palestine. That I had arranged to do; and such Articles and Memorandum would have been submitted before this if it had not been that delays occurred on account of the British Government being unable to settle two questions which arose quite early in the negotiations that took place at the Colonial Office with those acting under my authority. The first was a system of drainage which it was suggested that it would be economical and highly desirable should be carried out at the same time as the water scheme. The second and real cause of delay was that the Government found itself in difficulties with the water scheme over the El-Auja source. In this connexion the following telegram from Mr. Raffety of Messrs. Rofe and Son to Messrs. Sir John Jackson may pertinently be submitted:—

"Jerusalem, June 1.

Expect agree all engineering this week stop. Lees will support source but Rutenberg Concession probably needs revision before approval given involving delay unless agree with Rutenberg who is in London stop. Advise immediate negotiation with Colonial Office stop. Can do no more here stop. Leaving Saturday morning arriving Marseilles 11th stop. Cable *re* Jaffa received.—Raffety."

My agreement with Lord Gisborough was as Trustee for the company that was to be formed. It was on this basis that the British Government had negotiations with his Solicitors who were authorized by me to meet the Colonial Office and to arrange all necessary details. That, further, this arrangement is within the terms of the agreement is admitted in your letter of the 21st July, 1926,† in which you say that it is so drafted as to have the appearance of being such an agreement as I had previously described to you. So by the terms and also by the course of negotiations I have acted in accordance with the Agreements of 25th February, 1926, with the Crown Agents for the Colonies. There is nothing in that agreement to require that my arrangement with the Trustee shall be disclosed to the Government of Palestine until and if and when the prospectus is submitted.

The regularity of the deposit of my plans has been admitted by the Palestine Authorities as they have discussed and approved all the technical points with my Consulting Engineers who were commissioned by Lord Gisborough, under my authority as well as in his quality as Trustee of the future company, to prepare them.

I would very respectfully point out that I cannot see how it is possible to form a company in a different manner than the one I have adopted and I would further point out that I cannot appreciate how a company can be formed without the approval of the plans and without first ascertaining the source of supply and obtaining a close estimate of cost of the undertakings. In view of the delay in passing the plans I presume that the Colonial Office will extend the periods of time for both matters as I understand they have promised to do.

With regard to the deposit of plans there is nothing said in the Agreements of 25th February, 1926, as to any particular way to deposit these. On the 5th May, 1926, I deposited them by Lord Gisborough, the Trustee for the Company. What more could I do? The High Commissioner does not notify his approval or disapproval of them but I receive the mere statement that Mr. Secretary Amery does not accept them. That does not appear to be in accordance with the Agreements of 25th February, 1926, nor in accordance with the spirit of the undertaking given at the Hague Tribunal. The Hague Tribunal, referring to the declaration of the British Government, said: "It seems hardly permissible to doubt that the British

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* No. 32. † No. 23.

Government which has declared that it will allow Mr. Mavrommatis full liberty to put into execution his Jerusalem Concessions, will loyally take steps to ensure that its promise is respected and if necessary protect Mr. Mavrommatis against any attempt to prevent the execution of his Concessions." I may say that I relied upon that undertaking when I treated the Colonial Office representative in a spirit of accommodation and concession during the course of the negotiations for the purpose of re-adaptation.

These plans were prepared and deposited very quickly in accordance with the arrangement with Mr. Lees, which was that if I reduced the original time limits for the formation of the company to those subsequently included in the Agreement of February, and deposited the plans quickly he would see that they were approved in a very short time and I should not have to wait for the stipulated three months. He further promised that there would not be any difficulty about the El-Auja source if it were selected by the Engineers.

In conclusion, I must respectfully draw your very serious attention to the fact that by the delay in approving the plans, the Colonial Office has seriously jeopardised and prejudiced the successful financing of these undertakings, and that in consequence of this delay, and of their attitude, I have already suffered very serious monetary losses and damages, the responsibility for which as well as for any further losses and damages I may suffer, I respectfully submit will be entirely theirs.

May I make a suggestion? I believe there is no difficulty about the Electricity plans and these might be formally approved at once. If there is any difficulty about the plans for the Water Scheme I am quite prepared to discuss the matter with you in a friendly manner.

I remain, &c.,
E. MAVROMMATIS.

C. 17337/26

No. 35.

MR. E. MAVROMMATIS to MESSRS. BURCHELLS.

GENTLEMEN, 25, Linden Gardens, London, W.2, 6th September, 1926.

I CONFIRM my letter of the 2nd instant,* since which I have been favoured with a copy of a telegram which Messrs. Lane and Cottier have sent to the High Commissioner of Palestine on behalf of Lord Gisborough. It is as follows:—

"His Excellency Lord Plumer, Palestine. Regret to inform you that claim set up by Rutenberg to El-Auja and delay in providing drainage system for Jerusalem have prevented Jackson's proceeding (stop). Mavrommatis has determined optional contract with Jacksons under Clause five and entitled to return of plans, specifications, estimates, etc. (stop). Please return documents deposited or alternatively treat them as deposited on behalf Mavrommatis.

Lane and Cottier, 1, Tower Royal, London, Solicitors on behalf of Sir John Jackson, Limited, and Lord Gisborough."

Upon the following day I also sent a telegram to the High Commissioner, as follows:—

"The High Commissioner for Palestine, Jerusalem. Referring to telegram sent on behalf of Lord Gisborough yesterday, as these plans for the Jerusalem Water and Electricity Schemes were deposited on my behalf will Your Excellency be so good as to retain them as so deposited (stop). Please also advise the Colonial Office to this effect by telegram at my expense. Mavrommatis."

This disposes of the objection to the deposit of the plans and I shall therefore esteem it a favour if you will secure that they are approved without delay by the Colonial Office.

I would draw your very serious attention to the reasons that have caused the contract to be abandoned.

I remain, &c.,
E. MAVROMMATIS.

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* No. 34.

C. 17311/26

No. 36.

THE ACTING HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 8.10 p.m., 7th September, 1926.)

TELEGRAM.

[*Answered by No.* 37.]

No. 258. 7th September. Your despatch of 25th August No. 1140,* Mavrommatis Concession. Following telegram has been received from Lane and Cottier, 3rd September: *Begins:* Regret to inform you that the claim set up by Rutenberg to El-Auja and the delay in providing drainage system for Jerusalem have prevented Jackson proceeding. Mavrommatis has determined optional contract with Jackson under Clause 5 and entitled to return of plans, specifications, estimates, etc. Please return the documents deposited or alternatively treat them as deposited on behalf of Mavrommatis. *Ends.*

Following telegram has been received from Mavrommatis, 4th September:—*Begins:* Referring to telegram sent on behalf of Lord Gisborough yesterday. As plans for Jerusalem Water and Electricity Schemes were deposited on my behalf will Your Excellency be so good as to retain them as so deposited. Please also advise the Colonial Office to this effect by telegram at my expense. *Ends.*

Propose to reply acknowledging receipt of plans as deposited by Mavrommatis from 5th September. Please instruct.—SYMES.

C. 17311/26

No. 37.

THE SECRETARY OF STATE to THE ACTING HIGH COMMISSIONER.

(Sent 6.45 p.m., 10th September, 1926.)

TELEGRAM.

[*Answered by No.* 39.]

No. 257. 10th September. Your telegram No. 258,† I approve proposal to accept plans as deposited by Mavrommatis as from 5th of September. He is asking for early approval of plans. What answer should be given?—AMERY.

C. 17415/26

No. 38.

MESSRS. LANE AND COTTIER to COLONIAL OFFICE.

1, Tower Royal, Cannon Street, London, E.C.4,

DEAR SIR, 10th September, 1926.

WE regret delay in replying to your letter of the 12th ultimo.‡ The cause of this is that certain correspondence has been passing between Mr. Mavrommatis and Mr. Malcolm and our client, Lord Gisborough, and ourselves as his Legal Advisers. We attach for your information copy of this correspondence as follows, namely:—

1. Letter Mr. Mavrommatis to Lord Gisborough, dated 20th August, 1926, with copy letter same to same dated 18th July, 1926, attached.
2. Copy letters Messrs. Lane and Cottier to Mr. Mavrommatis, dated 27th August, 1926.
3. Copy letter Mr. Mavrommatis to Messrs. Lane and Cottier, dated 31st August, 1926.
4. Copy letter Messrs. Lane and Cottier to Mr. Mavrommatis, dated 3rd September, 1926.
5. Copy cable§ despatched 3rd September, 1926, by Messrs. Lane and Cottier to Lord Plumer.
6. Copy letter Mr. Malcolm to Messrs. Lane and Cottier, dated 7th September, 1926.
7. Copy letter to-day's date Messrs. Lane and Cottier to Lord Plumer.

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* C. 15712/26: not printed. † No. 36. ‡ No. 29. § Printed in first paragraph of No. 36.

In view of the position disclosed by the copy correspondence we are not proposing at this juncture to answer your letter *seriatum*.

We feel sure that both the Colonial Office and the High Commissioner of Palestine will agree that our clients have done everything in their power to make it possible to deal with the two schemes for providing Jerusalem with water and electricity in a businesslike manner and along the lines which works of such great importance necessitate. At the urgent request of the High Commissioner, and with the approval of the Colonial Office, Sir John Jackson, Limited, sent out with the greatest possible despatch their Technical Staff to devise and carry out the temporary water supply so urgently needed in Jerusalem. They completed their contract well before the time limit and we believe to the full satisfaction of the Authorities.

As pointed out in the copy correspondence enclosed, our clients, Sir John Jackson, Limited, have spent very substantial sums of money in pursuance of their Option Contract with Mr. Mavrommatis and they certainly would not have done so had they known at the commencement of the negotiations that there was any question of doubt as to the right to take the water supply from the source El-Auja. Sir Charles Cottier called attention to this point in his letter to you of the 9th July last.*

The situation is one which will probably call for a conference with your Department, and both we and our clients will hold themselves in readiness to attend a meeting if it is thought that some solution may still be possible.

Yours, &c.,
LANE AND COTTIER.

Enclosure 1 in No. 38.

25, Linden Gardens, London, W.2, 20th August, 1926.

My Lord,

Re: My Jerusalem Water and Electricity Concessions.

I beg to draw your Lordship's serious attention to the written notice of 18th July, 1926 (of which a copy is herewith enclosed), terminating my provisional Agreement with you of 22nd January, 1926, which my agent, Mr. J. A. Malcolm, sent you care of your Solicitors, Messrs. Lane and Cottier, and the contents of which were shortly afterwards communicated by them to the Colonial Office.

I would point out that contrary to clause 5 of the above Agreement your Lordship has failed to have the plans, etc., delivered to me. Clause 5 reads as follows:—

> "In the event of this Agreement not being adopted by the Company which is to be formed as hereinbefore recited or the above payments of £60,000 (Sixty thousand pounds) not being made within four months of the date of the Concession the Concessionaire may give fourteen days' notice to terminate this Agreement and if within such fourteen days the said Agreement has not been adopted and the said payment has not been made this Agreement shall be null and void and the said Five thousand pounds under clause 4 (A) hereof shall be forfeited as liquidated damages and all plans, specifications, reports, surveyors' estimates, etcetera, of the Consulting Engineers shall be handed over to and belong to the Concessionaire and all rights vested in the Trustee shall be revested in the Concessionaire or in any other person in whom the Concessionaire may direct they shall be revested."

As I have great need of these plans, etc., I hereby beg to again request your Lordship to be good enough to have them delivered to me before Friday the 26th instant.

I am sure your Lordship will appreciate the gravity of default on your part to respect clause 5 of the above Agreement and that if through such default I should lose my Concession or the opportunity of having the Concessions financed by other parties I shall have no alternative but to hold your Lordship responsible for damages to the full extent of £195,000 (hundred and ninety-five thousand pounds) and any other loss I may suffer in connexion with this business.

I have, &c.,
E. MAVROMMATIS.

The Right Hon. The Lord Gisborough,
17, Ennismore Gardens, S.W.

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* No. 18.

18th July, 1926.

My Lord,

Jerusalem Water and Electricity Concessions.

Mr. Euripides Mavrommatis has asked me to inform your Lordship that, as you are doubtless already aware, the Agreement he made with you on 22nd January, 1926, lapsed on Saturday the 10th July, 1926, and therefore to request your Lordship, in accordance with the terms of the Agreement, to be good enough to give instructions for all the plans, estimates, specifications, reports, etc., to be handed over to him without delay. I am to add that your Lordship's authority to act on Mr. Mavrommatis' behalf in the matter *vis à vis* the competent authorities concerned, is hereby withdrawn.

I have, &c.,
J. A. M.,
Agent for Mr. Mavrommatis.

The Rt. Hon. The Lord Gisborough,
c/o Messrs. Lane and Cottier,
1, Tower Royal, Cannon Street, E.C.4.

Enclosure 2 in No. 38.

1, Tower Royal, Cannon Street, E.C.4,
27th August, 1926

Dear Sir,

Re Jerusalem Water and Electricity Concessions.

Lord Gisborough has forwarded to us your letter of the 20th instant, and on his behalf we beg to reply as follows:—

You have already been informed through your agent, Mr. Malcolm, that the letter of the 18th July, 1926, signed by him on your behalf could not be construed as a notice terminating your Agreement with our client, Lord Gisborough.

The letter under reply, dated 20th August, 1926, and enclosing a copy of the letter before referred to dated 18th July, 1926, also fails to comply with the terms of the Agreement inasmuch as it does not give the formal notice requisite and necessary to terminate the same as set out in clause 5 thereof to which you make special reference.

Sir John Jackson, Limited, have advanced large sums of money to you and Mr. Malcolm and in payment of fees and expenses to various engineers engaged by them to prepare plans and report upon the estimated revenue derivable from the works which it was suggested they, as Public Works Contractors, should carry out. They parted with their money upon representations which have since proved to be inaccurate. Amongst several difficulties which have presented themselves as a result of independent investigation, the sole right to the water supply has been challenged by another Concessionaire and the drainage which is an imperative part of the development has not been provided for. Until these vital difficulties are dealt with no financial scheme with which Sir John Jackson, Limited, could permit themselves to be identified could be propounded.

Sir John Jackson, Limited, and their advisers have concentrated on obtaining a solution of these difficulties and will continue so to do until the contract has been legally determined by the notices required under clause 5 of the Agreement of the 26th January, 1926.

We venture to suggest that you should take no steps which would imperil our efforts in the direction indicated and that you will deem it wise to suspend the service of the required notice under clause 5 until we have had an opportunity of a round-table conference which we propose should take place immediately on the return to London of Sir Robert Perks, which he informs us will be on Tuesday next, the 31st instant.

Yours, &c.,
Lane and Cottier.

E. Mavrommatis, Esq.,
25, Linden Gardens, W.2.

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SECOND LETTER.

DEAR SIR, 1, Tower Royal, Cannon Street, E.C.4, 27th August, 1926.

Re Jerusalem Water and Electricity Concessions.

SINCE writing our first letter of even date, we have received from Sir Robert Perks copy of a letter of the 24th instant addressed to him by Mr. Malcolm.

The letter appears to be a long, unnecessary, and in many ways, an inaccurate resumé, and does not help the position in any way. We should not have taken the trouble to refer to it except that in this and previous letters you and Mr. Malcolm have seen fit to saddle Sir John Jackson, Limited, and those associated with them, having made promises and repeated them of "settlement next week" which is a pure fabrication. We only refer to it to deny it *in toto*. No one on Lord Gisborough's or on Sir John Jackson, Limited's, behalf has been authorized to make such a statement, nor in our opinion has it been made by anyone of authority.

Whilst we are writing this letter, we think we should refer to the statement alluded to in Mr. Malcolm's letter to Sir Robert which is alleged to have been made by a member of the Palestine Government "that Jacksons had no intention whatever of constructing these works." We shall be glad to be informed of the name of this gentleman. Is it likely that Sir John Jackson, Limited, would have advanced the large sums of cash on the representations made to them in connexion with this business if they had never intended to construct these works. It was and is their intention, as soon as the two vital stumbling-blocks have been removed, to carry out the civil engineering construction work.

Yours, &c.,
LANE AND COTTIER.

E. Mavrommatis, Esq.,
25, Linden Gardens, W.2.

Enclosure 3 in No. 38.

31st August, 1926.

DEAR SIRS,

I HAVE received your two letters of 27th August, 1926. I entirely disagree with their contents.

Sir Robert Perks has communicated to me your proposals which are quite unacceptable. I have therefore to-day given notice to your client, Lord Gisborough, to terminate my Agreement which I trust is now in a form which will leave no doubt in your or his mind. A copy is enclosed for your information.

Yours, &c.,
E. MAVROMMATIS.

Messrs. Lane and Cottier,
1, Tower Royal, Cannon Street, E.C.4.

25, Linden Gardens, W., 31st August, 1926.

MY LORD,

IN accordance with clause 5 of my Agreement with you of 22nd January, 1926, which is as follows:—

"In the event of this Agreement not being adopted by the Company which is to be formed as hereinbefore recited or the above payments of £60,000 (Sixty thousand pounds) not being made within four months of the date of the Concession the Concessionaire may give fourteen days' notice to terminate this Agreement and if within such fourteen days the said Agreement has not been adopted and the said payment has not been made this Agreement shall be null and void and the said Five thousand pounds under clause 4 (*a*) hereof shall be forfeited as liquidated damages and all plans, specifications, reports, surveys, estimates, etcetera, of the Consulting Engineers shall be handed over to and belong to the Concessionaire and all rights vested in the Trustee shall be revested in the Concessionaire or in any other person in whom the Concessionaire may direct they shall be revested."

I hereby give you fourteen days' notice from this date to terminate the Agreement.

I have, &c.

The Right Hon. The Lord Gisborough,
17, Ennismore Gardens, S.W.

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Enclosure 4 in No. 38.

3rd September, 1926.

DEAR SIR,

WE beg to acknowledge the receipt of the requisite notice under clause 5 thereof, determining your Agreement with our client, Lord Gisborough, of the 26th January, 1926.

We have our client's instructions to say that it is not intended to put any difficulty in the way of your at once dealing with your Concessions notwithstanding the fact that the notice has some time to run.

We have already pointed out that Sir John Jackson, Limited, has been induced to part with a very large sum of money upon representations which have proved inaccurate and misleading, and whilst they reserve to themselves all their rights and in particular to require repayment at a future date, they have agreed, in so far as their agreement was necessary, that the plans, specifications, reports, surveys, estimates, etc., should be handed over to you without delay so that you could pursue your negotiations in other directions. These documents, as you are aware, have been deposited with the High Commissioner of Palestine, and in order to save delay we have, on behalf of Lord Gisborough, cabled Lord Plumer (*a*) asking for their return at once so that you may redeposit them or (*b*) alternatively to treat them as deposited on your behalf.

We are, &c.,
LANE AND COTTIER.

E. Mavrommatis, Esq.,
25, Linden Gardens,
W.2.

Enclosure 6 in No. 38.

47, Victoria Street, London, S.W.1, 7th September, 1926.

DEAR SIRS,

I THANK you for your favour of 3rd September, 1926, and copy of your letter of same date to Mr. Mavrommatis. I also thank you for copy of your cable to Lord Plumer which you have kindly given me yesterday.

It is needless to add that I greatly appreciate the fair spirit which prompted Lord Gisborough, Messrs. Jackson's and your Sir Charles Cottier to act as they have in the matter of the plans.

Yours, &c.,
JAMES A. MALCOLM.

Messrs. Lane and Cottier,
1, Tower Royal, Cannon Street, E.C.4.

Enclosure 7 in No. 38.

10th September, 1926.

MY LORD,

WE BEG to confirm cable sent by us to you on the 3rd instant, reading as follows:—

"His Excellency Lord Plumer, Palestine. Regret to inform you that claim set up by Rutenberg to El Auja and delay in providing drainage system for Jerusalem have prevented Jacksons proceeding (stop). Mavrommatis has determined Optional Contract with Jacksons under clause 5 and entitled to return of plans, specifications, estimates, etc. (stop). Please return documents deposited or alternatively treat them as deposited on behalf Mavrommatis. Lane and Cottier, 1, Tower Royal, London, Solicitors on behalf of Sir John Jackson, Limited, and Lord Gisborough."

We should be obliged if your Lordship would inform us whether you have elected to return on behalf of Lord Gisborough the documents mentioned in the cable or in the alternative have treated them as deposited with you on behalf of Mr. Mavrommatis.

We are, etc.
LANE AND COTTIER.

His Excellency the High Commissioner,
The Right Hon. Lord Plumer,
Jerusalem, Palestine

C. 17595/26

No. 39.

THE ACTING HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 1.45 a.m., 14th September, 1926.)

TELEGRAM.

[*Answered by No.* 40.]

No. 268 of 13th September.

Your telegram of 10th September, No. 257,* I shall be grateful if you will inform Mavrommatis and Lane and Cottier that plans are deposited as from 5th September. As regards approval of plans, (i) Water Concession, I am unable to approve plans until question of availability of Auja source solved.

Lord Plumer's despatches† of 7th July and 20th August setting out position (ii) Electricity Concession, subject to modification proposed by Director of Public Works in enclosure to Lord Plumer's despatch of 7th July I am prepared to approve plans immediately.

In reply to Mavrommatis suggest as follows:—(i) Water Concession, Mavrommatis be invited to agree to time laid down Article V should not run until decision as to Auja source reached, (ii) Electricity Concession, plans approved as suggested above.—SYMES.

C. 17595/26

No. 40.

THE SECRETARY OF STATE to THE ACTING HIGH COMMISSIONER.

(Sent 12.50 p.m., 21st September, 1926.)

TELEGRAM.

No. 264. Your telegram No. 268.‡ Mavrommatis is being informed that Electricity Concession plans are approved subject to modifications proposed in enclosure to your despatch of the 7th of July.§ I am consulting Law Officers on question whether Mavrommatis could properly be allowed use of Auja source for purposes of Water Concession. Meanwhile Mavrommatis is being informed that a further communication will be sent to him regarding plans for that Concession.—AMERY.

C. 17595/26

No. 41.

COLONIAL OFFICE to MR. E. MAVROMMATIS.

Downing Street, 21st September, 1926.

SIR,

WITH reference to the previous correspondence regarding the Water and Electricity Concessions for Jerusalem, I am directed by Mr. Secretary Amery to inform you that the Officer Administering the Government of Palestine has now reported that, in accordance with your request, he has accepted the plans of the works to be built under those concessions as deposited by you with effect from the 5th of September.

I am, &c.,
J. E. SHUCKBURGH.

C. 17595/26

No. 42.

COLONIAL OFFICE to MR. E. MAVROMMATIS.

[*Answered by No.* 43.]

Downing Street, 23rd September, 1926.

SIR,

WITH reference to the plans deposited with the High Commissioner for Palestine on your behalf on 5th September for the construction of works to be built

* No. 37. † Nos. 20 and 33. ‡ No. 39. § No. 20.

under the Water and Electricity Concessions for Jerusalem, I am directed by Mr. Secretary Amery to inform you that the Officer Administering the Government of Palestine has reported that he approves the plans in respect of the Electricity Concession, subject to the following conditions:—

(i) The High Tension Line to Bethlehem shall be taken direct from the Power Station to the upper Bethlehem road and not as shown on plans Nos. 1 and 4.

(ii) The Extra High Tension Line to Bab el Wad shall not be transferred from underground to overhead at a point east of the junction of the Ain Karim and Jaffa roads.

(iii) The minimum height of the overhead Extra High Tension and High Tension Transmission Lines shall be as follows:—

Extra High Tension 6·1 metres, High Tension 6·1 metres in municipal areas.

(iv) Where the telegraphs are menaced by induction or otherwise the Company shall comply with the Postmaster-General's requirements for adequate protection.

(v) If any telegraph line be injuriously affected by induction or otherwise the Company shall pay for such alterations to the telegraph line as may be required to remedy such injurious affection.

(vi) The Company shall pay for any alterations to the telegraphs which may be necessary on account of the Company's works.

(vii) The proposed electrical pumping station at Bab el Wad shall be erected within "the Concession Area" as defined in the Jerusalem Electricity Concession.

2. I am to request that you will acknowledge the receipt of this letter and at the same time signify your acceptance of the above conditions.

3. A further letter regarding the plans for the Water Concession will be addressed to you in due course.

I am, &c.,
J. E. SHUCKBURGH.

C. 19020/26

No. 43.

MR. E. MAVROMMATIS to COLONIAL OFFICE.

[*Answered by No.* 45.]

25, Linden Gardens, W.2, 7th October, 1926.

SIR,

WITH further reference to your letter of the 23rd ultimo,* I confirm my letter of the 24th idem,† and now have to inform you that the conditions which you enumerate have been carefully considered by my Consulting Engineers and I have much pleasure in expressing my acceptance of them.

2. I have now merely to point out that the delay in signifying acceptance of these plans has adversely affected me as regards the time limits that have been inserted in my agreements with the High Commissioner. It will be my aim to form the company which is to be responsible for the Electricity Agreement without delay and if possible within the time limits specified in the agreement but in case of necessity I shall rely upon your giving me an extension of time up to three months. I think that you will agree that it is quite reasonable in the circumstances especially as my representative, Sir Hamar Greenwood, has already received promises from your Department to this effect.

3. I am also obliged for the promise that I shall receive a further letter dealing with the Water Concession. May I express the hope that this will arrive very shortly as the question of time limits arises in connexion with this Concession in an even acuter form.

4. You will realize that the delay in acceptance of the plans in connexion with the Water Concession has rendered the task of operating my agreement much more difficult. I must therefore appeal to you to approve my plans without delay.

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* No. 42. † Not printed.

5. In this matter also your Department has been good enough to make promises with regard to the extension of time to my representative, and I hope you will agree to give me such extension as may be necessary. On my part I shall do my best to form the company within the time fixed, but in case I should find this impossible, I presume you will agree to extend the time limits of the Agreement up to a period of twelve months after the approval of the plans; especially having regard to the fact that temporary works are now in existence giving a water supply to Jerusalem, and also having regard to the fact that my financial arrangements for constructing the permanent works fell through on account of the delay which has occurred in approving my plans.

Awaiting the pleasure of hearing further from you.

I have, &c.,
E. MAVROMMATIS.

C. 19120/26

No. 44.

THE ACTING HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 11th October, 1926.)

(No. 1149.)

SIR, Government Offices, Palestine, 30th September, 1926.

I HAVE the honour to refer to a letter* addressed on the 2nd of September, 1926, to Messrs. Burchells by M. E. Mavrommatis on the subject of negotiations issuing as a result of the grant to him of Concessions in Jerusalem and to transmit a copy of a memorandum by the Director of the Department of Public Works traversing certain statements made by M. Mavrommatis in that letter.

2. The memorandum to which Mr. Lees refers in the last paragraph of his present communication formed the subject of paragraphs 3 and 4 of Lord Plumer's despatch No. 885 of the 5th of August, 1926.†

I have, &c.,
G. S. SYMES,
Officer Administering the Government.

Enclosure in No. 44.

Government of Palestine, Public Works Department,
Jerusalem, 27th September, 1926.

(No. 5/3/17.)

Chief Secretary.

Subject: Concessions granted to M. Mavrommatis for the supply of water and electricity to Jerusalem.

Reference: Your 13759/26 of 25th September, 1926.

THE following paragraph appears in letter dated 2nd September, 1926, from Mr. Mavrommatis to Messrs. Burchells :—

"These plans were prepared and deposited very quickly in accordance with the arrangement with Mr. Lees, which was that if I reduced the original time limits for the formation of the Company to those subsequently included in the Agreement of February, and deposited the plans quickly he would see that they were approved in a very short time and I should not have to wait for the stipulated three months.

He further promised that there would not be any difficulty about the El-Auja source if it were selected by the Engineers."

The first part of this paragraph is not understood and is incorrect. The period for the deposit and approval of plans in the revised Agreement dated 25th February, 1926, was agreed upon by the two experts, Sir Hamar Greenwood and Mr. Lees, appointed under Article 5 of the Concessions Protocol. In discussing the matter with Sir Hamar Greenwood I informed him that I was sure there would be no unnecessary delay on the part of the Government of Palestine in examining any projects submitted and in communicating their views on these proposals, as the Government were anxious to get the matter of a proper water supply for Jerusalem settled at an early date.

* No. 34. † No. 30.

The second part of the above paragraph is also incorrect. In this connexion reference is invited to my confidential memorandum W.5 dated 29th July, 1926, to your address.

H. B. LEES,
Director of Public Works.

C. 19020/26

No. 45.

COLONIAL OFFICE to MR. E. MAVROMMATIS.

[*Answered by No.* 46.]

SIR, Downing Street, 25th October, 1926.

I AM directed by Mr. Secretary Amery to acknowledge the receipt of your letter of the 7th instant,* and to inform you that he notes that you accept the alterations required by the Palestine Government in the plans submitted by you under the Agreement relating to the grant of an Electricity Concession for Jerusalem. He has informed the Palestine Government accordingly.

2. Mr. Amery is unable to admit the accuracy of your statement that Sir Hamar Greenwood, as your representative, has received a promise from the Colonial Office that you would be granted an extension of the time limits laid down in the Concessionary Agreement.

3. I am to point out that the Palestine Government have signified their approval of the plans, subject to the modifications accepted by you, within the period laid down by the Agreement and that in these circumstances there is no ground upon which Mr. Amery could advise the Palestine Government to extend the time limits laid down therein.

4. Mr. Amery notes the contents of the third, fourth and fifth paragraphs of your letter but is unable to admit the accuracy of your statements that any promise has been given that you will be granted an extension of the time limits laid down in the Agreement relating to the grant of a water concession.

I am, &c.,
J. E. SHUCKBURGH.

C. 22013/26

No. 46.

MR. E. MAVROMMATIS to COLONIAL OFFICE.

SIR, 25, Linden Gardens, W.2, 26th November, 1926.

I DULY received your letter of the 25th October,† and am much surprised to learn that the accuracy is not admitted of the statements given in my letter of the 7th idem* to the effect that promises had been made to certain persons as my agents that there would be an extension of the time limits laid down in the Agreement made with the Crown Agents for the Colonies. As I understand your letter it is an admission that promises were made but that they were not made to the promisees as my agents. The only comment I wish to make upon that is that the promises were made with reference to the Agreements which were granted to me, and I do not appreciate the distinction that arises between the Concessionaire and those who are negotiating in connexion with and on behalf of the Concessions. That promises were made is undoubted and for evidence of this I would draw your attention to the letter dated the 12th August‡ to Messrs. Lane and Cottier in which you were indicating an arrangement by which an extension of six months might be granted for the Water Agreement. It is only recently that I have seen this letter and it is quite news to me that you were making the offer of an extension of time dependent upon what is termed therein an "opinion." Until then I was under the impression that the only ground for your offer of extension of time, was in order to compensate me for your failure to keep to the terms of the Agreement and in order that I should not be asked to bear the loss caused by your inability to pass the plans for the Water Agreement on account of your dispute with Mr. Pinhas Rutenberg over the El-Auja source.

* No. 43. † No. 45. ‡ No. 29.

2. I quite agree that the Palestine Government have passed the plans for the Electricity Agreement and that the same argument does not apply to this Agreement as to the Water Agreement, the plans of which have not yet been passed although they were deposited on the same date as those for the Electricity Agreement. It is not disputed that there has been delay over the approval of these plans and therefore a request for the short extension of time mentioned in my letter is not an unreasonable one.

3. So far as the Water Agreement is concerned it seems to me that the argument for an extension of the time limit is unanswerable. In your letter dated the 23rd September* it was stated that with regard to these plans an answer would be given me in due course. That is nearly two months ago!

4. The excuse that was offered by your department for not passing the plans earlier was that I had signed an absolute assignment with the Trustee for the company I was attempting to form; and yet in your letter of the 12th August,† referred to in paragraph 1 hereof, you were suggesting an arrangement with Messrs. Lane and. Cottier which seems to me quite indistinguishable from an absolute assignment.

5. I notice that in paragraph 7 of this letter you venture to give an interpretation of the Agreements in respect of Article 33 of the Water and Article 31 of the Electricity Concessions. That interpretation has been placed before my legal advisers and I beg to inform you that in their opinion neither the spirit nor the letter of these articles lend themselves to any such limiting interpretation.

6. I have now to acknowledge the receipt of your letter of the 16th instant,‡ and note that you wish to remind me that on a number of occasions you have informed me that the Palestine Government are not prepared to recognize my claims to concessionary rights in Jaffa. I would, however, draw your attention to the fact that these occasions were prior to the declaration of the Permanent Court of International Justice which I cited from the judgment. Such a declaration should in my view have caused you to modify your views. It seemed to me of sufficient importance to invite you to re-open the matter. I notice, however, that you state that this declaration does not bear the interpretation I gave. It appears to me that in the circumstances it is only necessary for me to assure you that the opinion I have is the considered opinion of my legal adviser who cannot conceive what induced the Tribunal to make this declaration if it does not bear the interpretation I gave.

7. In the concluding paragraph of this letter it is stated that Mr. Amery does not admit the accuracy of the contentions put forward in paragraphs 4 to 7 of my letter dated the 10th instant.‡ I have submitted these paragraphs to the opinion of my legal advisers and in their view these paragraphs give a quite fair summary of the matter. In such circumstances therefore the statement in your letter is to me incomprehensible.

8. It would appear that the position is entirely misapprehended by your department and your legal advisers. I have no wish to engage in a lengthy correspondence but I must remind you that when the re-adaptation of the Concessions was being arranged the expert of the Hellenic Government received assurances upon many occasions that the condition of hostility towards me should cease and that everything possible should be done in order to bring about a spirit of co-operation and goodwill. To secure this I was only ready to exhibit a spirit of concession in the process of re-adaptation and I am, therefore, all the more surprised to find that this promise is not being kept, and that the concessions that I yielded were for that purpose fruitless.

9. The position at present is quite impossible. You do not approve of the plans of the works for the Water Concession and yet expect me to fulfil the obligations with regard to time limits. That is to convert the Agreement into a one-sided contract, which I feel quite certain that no Court would uphold. It is surely one of the first principles of fair dealing that one of the parties to a contract should not be permitted to render it quite impossible for the other party to fulfil his obligations and then to use his inability as an excuse for destroying contractual rights. I beg to assure you that it is quite impracticable to set about the financing of a company for a project over the plans of which there is a dispute. One would have thought that this was an elementary matter in finance.

* No. 42. † No. 29. ‡ C. 19156/26: not printed.

10. Permit me to remind you of the statement made by the Hague Tribunal, of which there can be only one interpretation:—

> "It seems hardly permissible to doubt that the British Government, which has declared that it will allow M. Mavrommatis full liberty to put into execution his Jerusalem Concessions, will loyally take steps to ensure that its promise is respected and, if necessary, protect Mr. Mavrommatis against any attempt to prevent the execution of his Concessions."

11. Permit me also to remind you that His Majesty's Attorney-General at the Hague Tribunal assured the Tribunal that there would be no delay in the settlement of these Concessions. This also in my view admits of only one interpretation.

12. I am being forced to conclude that the value of these assurances is almost negligible, if viewed in the light of the obstacles that your department has put in my way, the delay in replying to my letters and the postponements week by week of settlement of outstanding questions. It is impossible to finance a business of this magnitude whilst the Government is obstructing my efforts in so arbitrary a manner.

13. I would remind you that the two Agreements that were made with me by the Crown Agents for the Colonies, dated 25th February, 1926, were entered into for the purpose of implementing the judgment of the Permanent Court of International Justice given on the 26th March, 1925. I maintain that by your present attitude you have committed a breach of these contracts.

14. I therefore must ask that:—

(1) The Palestine Government should pass the plans for the Water Agreement at once.

(2) That I should be given an extension of time on the Electricity Contract of three months, and

(3) that I should be given an extension of time for the Water Agreement of six months.

Otherwise it is impossible to arrange for the necessary financial operation for the formation of the company or companies in order to carry on the two undertakings.

I have, &c.,
E. MAVROMMATIS.

C. 21991/26

No. 47.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 3.4 p.m., 26th November, 1926.)

TELEGRAM.

No. 326 of 26th November. Your telegram of 24th November, No. 312.* I agree to the proposed communication to Mavrommatis.

I saw Rutenberg to-day and told him that the Government insisted that there should be immediately available, from Auja, water for the supply of Jerusalem and other towns to a volume not less than 20,000 cubic metres a day. He said that he would inform his Board of Directors of this decision which he apprehended might facilitate the disposal by Mavrommatis of his two concessions at price much above their commercial value. He urged that this would be contrary to public interests and that when approving Mavrommatis' plan a provision should be inserted defining the method of utilizing Auja for the town supply. He could submit the text of this proviso early next week. I made it clear to him that the decision regarding the availability of Auja water for Jerusalem supply was final and that Mavrommatis' plan would have to be approved by you not later than the 5th December but said that I would telegraph any proposals received from him in the meantime.—PLUMER.

* C. 20090/26: not printed.

C. 22253/26

No. 48.

MR. E. MAVROMMATIS to COLONIAL OFFICE.

[*Answered by No.* 50.]

SIR, 25, Linden Gardens, W.2, 1st December, 1926.

IN my letter of the 26th ultimo* I submitted to your Department a statement of my position with reference to the Agreements which were granted to me in February last by the Crown Agents for the Colonies, to which letter I have had no reply.

I have now placed the matter before my legal advisers and I am advised that the tone and character of your recent letters give no hope of an early settlement of the unfortunate dispute that has arisen between us. In their view it is an unnecessary encroachment upon valuable time to waste it with further correspondence, especially as that correspondence has so far been so unsatisfactory.

The plans for the Water Agreement were deposited with you on the 5th May and should have been approved before the 5th August. As I have pointed out to you this failure to pass these plans makes it impossible to finance an undertaking of this character. The only course, therefore, left to me by reason of your breach of the Agreement is to seek damages.

As time presses I hereby give you notice that I am now putting myself in communication with my Government.

I have, &c.,
E. MAVROMMATIS.

C. 21991/26

No. 49.

COLONIAL OFFICE to MR. E. MAVROMMATIS.

[*Answered by No.* 52.]

SIR, Downing Street, 2nd December, 1926.

I AM directed by Mr. Secretary Amery to refer to the plans, drawings and specifications deposited on your behalf with the High Commissioner for Palestine on the 5th of September, for the construction of works to be built under the Water Concession for Jerusalem dated the 25th of February, 1926, and to inform you that the High Commissioner has reported that he approves the scheme shown and described in drawings No. 1 to 9 prepared by Messrs. H. Rofe and Son, Civil Engineers, Westminster, with the accompanying specification and as amplified in a letter dated the 4th of June, 1926, from Mr. S. R. Raffety, of Messrs. H. Rofe and Son, to the Director of Public Works, subject to the following conditions:—

(1) That drawings 1 and 8 showing the sites of the proposed pipe lines and works from Ras el Ain to Jerusalem, which are not accurate surveys and do not show land boundaries and proposed easements, are replaced forthwith by accurate plans containing all the requisite information, and that the High Commissioner reserves the right to require amendments in detail in the said plans;

(2) That, with a view to keeping down the capital expenditure the main pipes shown on the drawings as 19″ and 18″ in diameter respectively are replaced by pipes of smaller diameter, and that you undertake that any other minor modifications will be made in the plans which may tend to keep down the capital costs and which may be agreed between the Director of Public Works in Palestine and your technical advisers to be practicable and consistent with the scheme.

(3) That an additional terminal reservoir of a capacity of not less than 6,000 cubic metres will be constructed as soon as required, the provision of a reservoir at Romena of a capacity of 12,000 cubic metres only not being in accordance with Clause 6 of the Concessionary Agreement which requires the construction of a terminal reservoir of a capacity of not less than 18,000 cubic metres.

I am, &c.,
J. E. SHUCKBURGH.

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* No. 46.

C. 22253/26

No. 50.

COLONIAL OFFICE to MR. E. MAVROMMATIS.

[*Answered by No.* 52.]

SIR, Downing Street, 6th December, 1926.

I AM directed by Mr. Secretary Amery to acknowledge the receipt of your letter of the 1st instant,* and, with reference to paragraph 3 thereof, to invite your attention to the fact that on the 4th of September you addressed a telegram† to the Officer Administering the Government of Palestine requesting that the plans for the Jerusalem Water and Electricity schemes which had been deposited by Lord Gisborough might be retained as deposited on your behalf. By a Colonial Office letter dated the 21st of September‡ you were informed that the Officer Administering the Government for Palestine had reported that he had accepted the plans as having been deposited by you with effect from the 5th of September; this letter you acknowledged without comment or protest on the 23rd of September.§ The suggestion now made in your letter that the plans were deposited by you on 5th May and should have been approved before the 5th August, is without foundation. By a Colonial Office letter dated the 23rd of September‖ you were informed that the plans deposited in respect of the electricity scheme were approved subject to certain conditions; this letter you acknowledged on the 23rd of September¶ and by a further letter dated the 7th of October** you accepted the conditions. By a Colonial Office letter dated the 2nd of December†† you were informed that the plans deposited in respect of the water scheme were approved subject to certain conditions. The Palestine Government have therefore in the case of both Concessions approved, subject to the conditions stated, the plans deposited by you, within three months of the date of deposit, as required by the Concessionary Agreements.

2. Mr. Amery has noted the contents of your letter under reply and directs me to inquire whether he is to understand that you withdraw the request contained in your letter of the 26th November‡‡ for certain extensions of time in the case of both the Water and the Electricity Concessions.

I am, &c.,
J. E. SHUCKBURGH.

C. 22523/26

No. 51.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 7th December, 1926.)

(Confidential C.)

SIR, Palestine, 26th November, 1926.

I HAVE the honour to transmit to you, for your information, copy of the text of a communication to Mr. Rutenberg on the subject of the utilization of the Auja waters by Mavrommatis.

I have, &c.,
PLUMER, F.M.

Reference to previous correspondence: High Commissioner's telegram No. 326 of 26th November, 1926.§§

Enclosure in No. 51.

1. THE Government of Palestine claims the right to take and use for the purposes of town water supplies all the water of the River Auja which may not be utilized for irrigation or the generation of electric power by the Jaffa Electricity Company under the terms of the Jaffa Concession during the period, whether original or extended, of that Concession.

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* No. 48. † See No. 36. ‡ No. 41. § C. 17595/26: not printed. ‖ No. 42.
¶ C. 17595/26: not printed. ** No. 43. †† No. 49. ‡‡ No. 46. §§ No. 47.

2. Without prejudice to the generality of the principle stated in paragraph 1, the Government requires that there should be available immediately for water supplies for Jerusalem and other towns a volume of water not less than 20,000 cubic metres per day.

26th November, 1926.

C. 23810/26

No. 52.

MR. E. MAVROMMATIS to COLONIAL OFFICE.

[*Answered by No.* 54.]

SIR, 25, Linden Gardens, Bayswater, W.2, 24th December, 1926.

I AM in receipt of your letters of the 2nd and 6th December* and note that the scheme has now been approved for the construction of the works in connexion with the Water Concession as shown by the plans and drawings which were deposited on the 5th May by Lord Gisborough, the Trustee for the proposed company, on my behalf.

2. With regard to the conditions specified in the former letter it must have escaped your notice that the third condition has already been the subject of agreement between the Palestine Government and Mr. Raffety of Messrs. H. Rofe and Son and that the second condition has been discussed by them. So far as the first condition is concerned, Mr. Raffety discussed this with Mr. Lees after the drawings were submitted, and it was agreed that the details to which you refer should be properly included in the drawings to be submitted later. If you will look at the letter from Mr. Raffety to Mr. Lees dated the 4th June, 1926, and mentioned in the first paragraph of your letter of the 2nd December now under acknowledgment, you will appreciate that this is made clear. In order that there should be no doubt about this matter I have sent a copy of your letter of the 2nd instant to Messrs. H. Rofe and Son and they have sent me a reply dated the 7th instant, of which I enclose a copy.† From this you will see that agreement with respect to these plans and the scheme was reached early in June. I cannot understand why an agreement of the plans reached six months ago should be held up until now.

3. The result of your treatment of my Concessions is that I have been placed in a position of great embarrassment. Your action has prevented the Agreement between myself and Lord Gisborough from being carried out. You have delayed the approval of the plans for my Concessions. Besides which there has been an attitude of hostility towards me, which unfortunately became well known in financial quarters.

4. In your second letter you do not state quite accurately the purport of the telegram which I sent to the High Commissioner on the 4th September. If you refer to it again you will find that it is stated that the plans deposited through Lord Gisborough were deposited on my behalf, which refers to the deposit of the 5th May. The telegram requests the High Commissioner to retain them as so deposited. There is no suggestion in the telegram, as you seek to show, that I considered the deposit was made on and not before the 5th September. In your letters of the 21st and 23rd September‡ you treated the plans as having been deposited in September and evidently you deduce from that statement that I acquiesced in such a view. I have consistently maintained the opposite. If you refer to my letter of 24th September§ you will notice that it is a simple and formal letter of acknowledgment. The letter in which I deal with the matter is the letter dated 7th October‖ and in the second paragraph of it there is a protest against the delay in signifying acceptance of these plans, with a request for an extension of time.

5. My very reasonable requests for an extension of time were made on the 11th August,¶ the 2nd** and 6th September†† (in two letters to your solicitors) the 7th‖ and 10th October‡‡ and the 26th November§§ and these were met by a definite refusal in your letter dated 25th October.‖‖

*Nos. 49 and 50. † Not printed. ‡ Nos. 41 and 42. § C. 17595/26: not printed. ‖ No. 43.
¶ No. 28. ** No. 34. †† No. 35. ‡‡ C. 19156/26: not printed. §§ No. 46. ‖‖ No. 45.

6. As you are aware there is only a limited number of financial houses capable of financing such undertakings. If a scheme has been prejudiced by reason of delays and disputes it is very soon known within this small circle and irreparable mischief is done.

7. Lord Gisborough and Messrs. Sir John Jackson, Limited, when they entered into their contract relied upon the engagements being kept by the High Commissioner for Palestine, under my Agreements of 25th February with the Crown Agents for the Colonies.

8. My engagements were fulfilled with the utmost rapidity in response to the special appeal made in your letter of 21st December, 1925.* Not only were engineers and others despatched to Jerusalem but plans and specifications were submitted as early as the 5th May after conferences in Palestine with Mr. Lees. In order to hasten the matters the engineers paid a second visit to Jerusalem at the end of May in order to discuss and settle the plans on the spot. My friends did even more than this for works were at once put in hand of a temporary nature to provide for a supply of water and in consequence the risk of a water famine was averted.

9. The refusal of the Colonial Office to pass my plans by reason of a dispute with Mr. Rutenberg respecting the source of the water supply led to the abandonment of my contract with Lord Gisborough as may be seen by the telegram† sent to His Excellency Lord Plumer by Messrs. Lane and Cottier, dated 3rd September, 1926.

10. I have since that date done my utmost to arrange for the formation of the necessary company, but as you are aware the autumn financial season ends about the middle of November, but right up to the 30th November I was strenuously using my every effort to make fresh arrangements for financing my Concessions, and if I had secured the approval of my plans and the extension of time to which I was entitled I expected my efforts might prove successful, but you did not reply until after that date.

11. It was known in financial circles that the approval of the plans was in dispute and my financial friends with whom I was negotiating became tired of waiting day after day for this approval and abandoned the business. Your opposition definitely compromised my agreements, and even if now you approved the plans and granted the extensions of time it has become impossible for me to make the arrangements for financing these Concessions in face of your hostility, which you must be aware is only too well known.

12. Your attitude forced me to conclude that you have never intended that I should enjoy the benefit of these Concessions which were confirmed by the decision of the Permanent Court of International Justice. I was, therefore, advised that there was no other course but to refer the matter to my Government, in order to seek damages for your breach of the Agreement; and in my letter of the 1st instant‡ I have already advised you of my definite decision to this effect.

I have, &c.,
E. MAVROMMATIS.

C. 44137/27/ [No. 1]

No. 53.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 17th January, 1927.)

(Confidential A.)

Palestine, 7th January, 1927.

SIR,

I HAVE the honour to transmit to you for your information copy of a letter from Mr. P. Rutenberg on the subject of use of water of the Auja River by the Palestine Electric Corporation, Limited.

I have, &c.,
PLUMER, F.M.

Reference to previous correspondence: High Commissioner's despatch Confidential C, dated 26th November, 1926.§

* 52560/25: not printed. † See No. 36. ‡ No. 48. § No. 51

Enclosure in No. 53.

The Jaffa Electric Company, Limited, Power House,
Tel-Aviv, Palestine, 28th December, 1926.

SIR,

I HAVE the honour to acknowledge the receipt of your letter No. 17801/26.

The Jaffa Electric Company, Limited, agrees to make available for the water supply of Jerusalem and other towns a volume of water up to 20,000 cubic metres per day.

With regard to paragraph 1 of your letter I will submit the matter to my Board in London for their decision.

You will recollect that you informed me that the Government had intimated to Mr. Mavrommatis that there would be no extension of his concession beyond the 26th of February, 1927, and further that you would carefully consider in the execution of any scheme for the water supply of Jerusalem and other towns the necessity of creating large enough reservoirs to render possible pumping of water during the night hours only so as not to prejudice the use of water for irrigation purposes.

Yours faithfully,
PINHAS RUTENBERG,
Chairman.

The Honourable,
The Chief Secretary,
Government Offices,
Jerusalem.

C. 23810/26

No. 54.

PALESTINE.

COLONIAL OFFICE to MR. E. MAVROMMATIS.

Downing Street, 19th January, 1927.

SIR,

I AM directed by Mr. Secretary Amery to acknowledge the receipt of your letter of 24th December* regarding the Jerusalem Water Concession.

2. The Secretary of State does not propose to enter into all the points raised in your letter; but it must not be taken that he accepts your statements as accurate.

3. I am, however, to point out, with reference to your remarks as to the discussions which took place between Mr. Raffety and Mr. Lees, that these did not involve the approval of the High Commissioner and in any case took place, so far as Mr. Lees and the Government were concerned, in ignorance of the real position of Lord Gisborough.

4. After carefully perusing your letter, the Secretary of State fails to understand what attitude you propose to adopt. I am accordingly to inquire whether you repudiate your obligations under the Agreement as to the Water Concession at Jerusalem dated the 25th of February, 1926, or whether you propose to carry them out in accordance with the terms thereof. In the latter case, I am to ask you to state definitely whether you do or do not accept the modifications and conditions specified in the letter from this Department of the 2nd of December, 1926,† and propose to submit revised plans, etc., in accordance with clause 4 of the Agreement. Under that clause the revised plans, etc., should have been submitted by you within one month of 2nd December, 1926; but the Palestine Government will in the circumstances be prepared to extend that time limit until the 25th February next.

I am, &c.,
J. E. SHUCKBURGH.

C. 44040/27 [No. 64]

No. 55.

COLONIAL OFFICE to TREASURY SOLICITOR.

[*Answered by No.* 58.]

Downing Street, 25th June, 1927.

SIR,

I AM directed by Mr. Secretary Amery to transmit to you the enclosed copies of letters‡ from the Registrar of the Permanent Court of International Justice at

* No. 52. † No. 49. ‡ C. 44040/27 [No. 55], [No. 58], and [No. 59]: not printed.

the Hague regarding a suit instituted at that Court against His Britannic Majesty's Government "concerning the re-adaptation of the Mavrommatis Concessions," together with copies of the Greek Application* and Case.†

2. As you are aware (see your letter of 6th October, 1924,‡ and subsequent correspondence), the claims of Mr. Mavrommatis to water and electricity concessions at Jerusalem formed the subject of proceedings by the Greek Government against His Majesty's Government in 1924 and 1925. Mr. Amery assumes that you still have copies of the two judgments of the Court. What has happened since the judgment of 26th March, 1925, will be seen from the Colonial Office memorandum dated February, 1927, which will be found reproduced on pages 263 to 275 of Volume 2 of the annexures to the Greek case.† It will be observed that when in January, 1927, the Greek Government again intervened on behalf of Mr. Mavrommatis, His Majesty's Government at once took up the position that the Greek Government could not be regarded by His Majesty's Government as having any right to do so, and pointed out that the judgment of the Permanent Court of International Justice was given effect to completely by the granting of new concessions by the agreements dated 25th February, 1926; that, if Mr. Mavrommatis was of opinion that his rights under those agreements had been infringed, the Courts of Palestine were open to him to obtain redress; that those rights were purely a matter of municipal law, and that the Permanent Court of International Justice could have no further *locus standi* in the matter. The Secretary of State considers it essential to maintain that position. Apart from the consideration that the Greek Government under international practice has no justification for making Mr. Mavrommatis' complaints the subject of diplomatic action, since he has his remedy in the Palestine Courts, and that therefore there is not, properly speaking, any dispute between the British and Greek Governments (which is required before the Greek Government can properly take its case to the Court of International Justice) His Majesty's Government has not assented to the reference of this case to the Hague and the Court therefore only has jurisdiction if the matter is covered by Article 26 of the Mandate for Palestine (Cmd. 1785). In Mr. Amery's opinion the matter has nothing whatever to do with "the interpretation or the application of the provisions of the Mandate"; and for that reason, and for the others which are set out in the Colonial Office memorandum, Mr. Amery considers that the Court has not got jurisdiction, and that the reply to the Greek application should be to object to the jurisdiction on that ground. A copy of a letter§ from Mr. Malkin, Assistant Legal Adviser in the Foreign Office, to Mr. Bushe is enclosed. It will be seen from its enclosure that the Registrar of the Permanent Court of International Justice will be glad to learn as soon as possible whether the British Government intend to raise any objection to the jurisdiction. I am accordingly to request you to instruct Counsel in the matter and to let this Department know as soon as possible whether Counsel concur in the suggestion that His Majesty's Government should object to the jurisdiction of the Court in order that the Foreign Office may be in a position to let the Registrar know as soon as possible the attitude of His Majesty's Government on this point. It will be observed from the Registrar's letter of 16th June‖ that the Court has fixed 5th July as the date for the filing of the counter case. In this connexion I am to enclose a copy of a letter¶ which has been addressed to the Foreign Office.

3. It is not proposed in this letter to deal fully with the Greek case. It may be well, however, to explain, with regard to the attitude which the Secretary of State and the Palestine Government adopted in connexion with the contract between Mr. Mavrommatis and Lord Gisborough, that when Mr. Amery first heard of Lord Gisborough's appointment as Trustee he assumed that Lord Gisborough was merely acting as Mr. Mavrommatis' agent, and it was not until a copy of the contract was furnished to this Department that it was realised that it provided for an absolute assignment of Mr. Mavrommatis' rights under the agreements of 25th February, 1926. It seemed impossible to accept this position. In the first place the agreements were with Mr. Mavrommatis, and the Secretary of State had no desire to have them carried out by anyone except Mr. Mavrommatis and the Company which he was to form. Secondly, Mr. Mavrommatis, under the contract with Lord Gisborough, had the right in certain circumstances to terminate it; and without the knowledge or consent of the High Commissioner, to have the rights revested either in Mr. Mavrommatis or in any other person in whom he might direct they should

* Enclosure in C. 44040/27 [No. 55]: not printed. † Enclosure in C. 44040/27 [No. 59]: not printed. ‡ 47051/24: not printed. § C. 44040/27 [No. 58A]: not printed. ‖ C.44040/27 [No. 63]: not printed. ¶ C. 44040/27 [No. 65]: not printed.

be revested. Difficulties might well have arisen with regard to any arrangement which the High Commissioner might have made with Lord Gisborough in respect to the plans or otherwise, since it might not have been adopted by Mr. Mavrommatis if he reverted to his position as concessionaire.

4. Further, it will be observed that the agreements with Mr. Mavrommatis provided clearly that it was he who was to submit the plans and do the other matters which had to be done in connexion therewith. It is submitted that the attitude which the Secretary of State and the Palestine Government adopted was perfectly justified; but even assuming that it was not, and that the plans were therefore approved at a later date than they should have been, this was not a breach going to the root of the contract, nor did Mr. Mavrommatis affect to treat it as such. On the contrary, he acquiesced in the position and asked for an extension of the time within which he had to form a Company.

5. It may be well to add that the reference to Mr. Rutenberg in the Greek case is introduced for purposes of prejudice, and that the position so far as Mr. Rutenberg is concerned is shown by the enclosed copy of correspondence* with the Law Officers of the Crown. In any case Mr. Rutenberg's objections to the use of the El-Auja as the source for the supply of water to Jerusalem were not really any concern of Mr. Mavrommatis, since he was not entitled under his agreement to use the El-Auja, the approval of the source of supply being, under Clause 6 of the Agreement, within the discretion of the High Commissioner. The statements made by Mr. Mavrommatis that during the negotiations for the Agreement he was promised that he would be able to use the El-Auja source are untrue. As regards the allegation that Mr. Mavrommatis' letter of 1st December, 1926,† was the cause of the Colonial Office on 2nd December notifying him of the approval of the plans for the waterworks, the fact is of course that the Colonial Office letter of 2nd December‡ was authorised before Mr. Mavrommatis' letter had been considered.

I am, &c.,
J. E. SHUCKBURGH.

C. 44040/27 [No. 80]

No. 56.

FOREIGN OFFICE to COLONIAL OFFICE.

[*Answered by No.* 60.]

SIR, Foreign Office, S.W.1, 6th July, 1927.

IN reply to your letter of 30th June,§ I am directed by Secretary Sir Austen Chamberlain to request you to inform Mr. Secretary Amery that he approves the appointment of Mr. A. J. Harding to be British Agent for the proceedings instituted by the Greek Government at the Permanent Court of International Justice in connexion with the Mavrommatis Concessions.

2. It appears from paragraph 2 of the letter dated 28th May‡ from the Registrar of the Court that this appointment should be notified to Monsieur Hammarskjold, and also the address at the seat of the Court to which notices and communications in regard to the case are to be sent. The Secretary of State will be glad to learn whether Mr. Amery agrees that such communications should be addressed to His Majesty's Legation at The Hague.

I am, &c.,
LANCELOT OLIPHANT.

C. 44040/27 [No 82]

No. 57.

THE PERMANENT COURT OF INTERNATIONAL JUSTICE
to
FOREIGN OFFICE.

(Received in Colonial Office 8th July, 1927.)

Permanent Court of International Justice,
SIR, The Hague, 4th July, 1927.

WITH reference to your letter of 30th June¶ in which you informed me of His Britannic Majesty's Government's request that the Permanent Court of International Justice would extend the time-limit fixed for the filing of the Counter-Case

* No. 49, Vol. VIII, Series of Law Officers' Opinions. † No. 48. ‡ No. 49.
§ C. 44040/27 [No. 67A]: not printed. || Enclosure in C. 44040/27 [No. 55]: not printed.
¶ C. 44040/27 [No. 71]: not printed.

in the matter of the re-adaptation of the Mavrommatis Jerusalem concessions, I have the honour to confirm my telegram No. 10632 of 4th July* stating that the Court had decided, as a provisional measure and by virtue of Article 33, second paragraph, of its revised Rules, to consider as valid the deposit of the British Counter-Case, even if it should be effected after the expiration of the time-limit fixed by the Court, viz., 5th July.

Following upon this communication, I have the honour to bring to your notice that at its meeting held to-day the Court, after considering the request of the British Government, has decided to extend until Monday, 15th August, the time-limit for the filing of the British Counter-Case. The Court has also reserved its decisions as regards the time-limits for the submission of the further documents in this suit.

I have, &c.,
Registrar.

C. 44040/27 [No. 84]

No. 58.

TREASURY SOLICITOR to COLONIAL OFFICE.

[*Answered by No.* 59.]

Treasury Solicitor,
SIR, Storey's Gate, S.W.1., 11th July, 1927.

Mavrommatis Concessions.

Claim before the Permanent Court of International Justice at The Hague.

I BEG to refer to Sir John Shuckburgh's letter of the 25th June last† and to Mr. Harding's letter of a similar number dated the 1st July,‡ and to return the portions of the mémoire of the Greek Government forwarded to me with the last-mentioned letter.

I have consulted the Attorney-General and Mr. Fachiri upon this matter, and enclose for the information of Mr. Secretary Amery a copy of their opinion.

It is presumed that Mr. Secretary Amery will cause the Registrar of the Permanent Court of International Justice to be informed that no objection will be raised to the amendments which the Greek Government wish to make in their case.

As the Attorney-General has advised that a preliminary objection should be taken in this matter, I have now instructed Counsel to settle the form of the preliminary objection and preliminary case. A precedent to such an objection and counter-case appears in the previous Mavrommatis claim appearing in the publications of the Court, Series C, at p. 439.

I am, &c.,
M. L. GWYER.

Enclosure in No. 58.

CASE CONCERNING THE RE-ADAPTATION OF THE MAVROMMATIS CONCESSIONS.

OPINION OF ATTORNEY-GENERAL AND MR. FACHIRI.

(1) In our opinion, His Majesty's Government should file an objection to the jurisdiction of the Court, (*a*) The main ground for maintaining that there is no jurisdiction is that the Greek Government's application is based upon the alleged failure of His Majesty's Government to comply with the Judgment of 26th March, 1925, and there is no provision in the Statute of the Court empowering it to adjudicate upon such a matter. Article 60 of the Statute provides that "in the event of dispute as to the meaning or scope of the Judgment the Court shall construe it upon the request of any party," but the present case is not, nor does it purport to be, a dispute as to the meaning or scope of the Judgment of 26th March, 1925.

The jurisdiction can also be resisted on the following further grounds, (*b*) That there is no dispute relating to the interpretation or application of the Mandate within Article 26 thereof, this being the only provision under which the Greek Government could bring the case unilaterally before the Court. The Administration of

* Enclosure in C. 44040/27 [No. 83]: not printed. † No. 55. ‡ C. 44040/27 [No. 68]: not printed.

Palestine have not in the exercise of their power, under Article 11 of the Mandate (Series C., No. 5, Vol. I, p. 450) to provide for the public ownership or control of the natural resources of the country or of the public works, etc., therein done any act in contravention of the international obligations referred to in Article 11. It is clear from the two previous Judgments of the Court, No. 2 and No. 5, that apart from consent by His Majesty's Government the Court's Jurisdiction only exists if and in so far as they have, in exercise of those powers, granted other concessions—namely the Rutenberg Concessions—which conflict with M. Mavrommatis' rights, under the Lausanne Protocol. In the present case, although it is alleged that the pretended failure of His Majesty's Government to carry out their obligations to M. Mavrommatis was due to the opposition of Mr. Rutenberg it cannot be maintained that he was granted any concession which violated M. Mavrommatis' rights. It may be remembered that His Majesty's Government consented in the course of the written procedure on the previous case (see Counter-Case paragraph 11, Rejoinder paragraph 7 set out in series C No. 7. Vol. II at pp. 214, 325) to the Court deciding the question whether the Mavrommatis Concessions fell under Article 4 or Article 6 of the Lausanne Protocol but this consent to the exercise of jurisdiction in other proceedings and for a limited and specific purpose does not in our opinion affect the present case.

(c) By Clause 3 of the two contracts of 25th February, 1926 (Greek annexe pp. 38-66), M. Mavrommatis absolutely and irrevocably surrendered and renounced all rights and benefits under his old concessions to the intent that the same might be absolutely cancelled and annulled. This being so, the concessions which the Court held to be entitled to benefit by Article 4 of the Lausanne Protocol are at an end. Their place has been taken by new contracts embodying agreed terms of re-adaptation. In these circumstances even if the Court had jurisdiction to interpret and apply the Lausanne Protocol as such (which it had itself decided it has not) there is no longer in existence any concession covered by that or any other International instrument. The only concessions now existing are those granted by contracts between Mavrommatis and the Crown Agents for the Colonies on 25th February, 1926.

(*d*) Finally, it can be contended that the Greek Government were not entitled to take up the claim of their subject to the Court to entertain it until he had exhausted his remedies against the Governments of Great Britain or Palestine under municipal law. In this connexion it is to be observed that both contracts of 25th February, 1926, contain a clause whereby any and every dispute which shall arise between the High Commissioner and the Company as to the meaning or effect of any of the provisions of the Concession or otherwise shall be referred to Arbitration (See Greek annexe pp. 61, 83). If this Clause is not applicable to M. Mavrommatis personally but only to the Company contemplated by the Contract there is another Clause which provides that "these presents shall be interpreted and construed according to the Laws of England and shall be given effect to accordingly" (*ibid* pp. 62.84). If His Majesty's Government have committed a breach of contracts M. Mavrommatis could take proceedings in the British Courts and the Colonial Office have stated that the Courts of Palestine are also open to him.

(2) Article 38 of the Revised Rules of Court provides for the filing of a preliminary objection, a document in answer, and oral proceedings as upon a separate case.

(3) With regard to the alterations which the Greek Government desire to introduce into their case we do not see any reason to object to their being incorporated in the printed copies, as their effect is to tone down the language of the charges against His Majesty's Government and the Colonial Office. The Registrar should be informed that we do not object to the amendments but reserve the right to comment upon the matter.

(4) We advise that the Registrar should be informed without delay of the intention to file a preliminary objection and if it has not already been done that notice of the appointment of an agent and of the address at The Hague to which communications in regard to the case are to be sent should be given (See Article 35 of the Revised Rules of Court).

DOUGLAS MCGAREL HOGG.
ALEXANDER FACHIRI.

8th July, 1927.

C. 44040/27 [No. 87]

No. 59.

COLONIAL OFFICE to TREASURY SOLICITOR.

SIR, Downing Street, 16th July, 1927.

I AM directed by Mr. Secretary Amery to refer to your letter of the 11th of July,* relative to the proceedings instituted by the Greek Government at the Permanent Court of International Justice in connexion with the Mavrommatis Concessions, and to transmit to you the accompanying copy of a letter† which has been addressed to the Foreign Office requesting that the Registrar of the Court may be informed as proposed in the last two paragraphs of the Opinion of the Attorney-General and Mr. Fachiri. A copy of the Foreign Office letter of the 6th of July‡ is also enclosed.

2. Mr. Amery would be glad if he might be consulted before the preliminary objection and the preliminary case are finally settled and also if he might be kept informed of any further developments in this matter.

3. I am also to enclose, for your information, the accompanying copies of further communications from the Court, dated the 28th of June, § the 30th of June‖ and the 5th of July,¶ together with copies of the enclosures thereto, relative to the certified copies, deposited by the Greek Agent, of the annexures appended to the case submitted by the Greek Government.

4. A copy of a further communication from the Court, dated the 4th of July,** is also enclosed herewith, with regard to the extension of the time-limit fixed for the filing of the Counter-Case. You will note that the extension granted is to the 15th of August next and not to the 15th of September, as was requested.

5. It will be observed that the Foreign Office have been requested to arrange for copies of further correspondence on this subject to be sent simultaneously to you and to this Department.

I am, &c.,
J. E. SHUCKBURGH.

C. 44040/27 [No. 88]

No. 60.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR, Downing Street, 16th July, 1927.

I AM directed by Mr. Secretary Amery to acknowledge the receipt of your letter of the 6th of July,†† relative to the appointment of Mr. A. J. Harding to be British Agent for the proceedings instituted by the Greek Government at the Permanent Court of International Justice in connexion with the Mavrommatis Concessions, and to state, for the information of Sir Austen Chamberlain, that he agrees that the address at the seat of the Court, to which communications and notices in regard to the case should be sent, should be His Majesty's Legation at The Hague.

2. I am also to enclose a copy of a letter‡‡ which has been received from the Treasury Solicitor, together with a copy of the Opinion§§ referred to in the second paragraph thereof, and to request that, unless Sir Austen Chamberlain sees any objection, the Registrar of the Court may be informed as proposed in the last two paragraphs of the Opinion.

3. I am to add that it would be convenient if arrangements could be made for copies of further correspondence in connexion with this case to be sent simultaneously both to this Department and to the Treasury Solicitor. Mr. Amery would also be glad if, whenever possible, three copies could be sent to this Department of all correspondence which is copied in the Foreign Office.

4. A copy of a letter‖‖ which has been addressed to the Treasury Solicitor is enclosed.

I am, &c.,
J. E. SHUCKBURGH.

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* No. 58. † No. 60. ‡ No. 56. § Enclosure in C. 44040/27 [No. 78]: not printed. ‖ Enclosure in C. 44040/27 [No. 81]: not printed. ¶ Enclosure in C. 44040/27 [No. 82]: not printed. ** No. 57 †† No. 56. ‡‡ No. 58. §§ Enclosure in No. 58. ‖‖ No. 59.

C. 44687/27 [No. 6]

No. 61.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 3.5 p.m., 11th October, 1927.)

TELEGRAM.

No. 214. My despatch of 13th September, 1199.* Hague Court yesterday by seven to four upheld British objection to its jurisdiction in Mavrommatis case.

* C.44687/27 [No. 2]: not printed.

Not to be destroyed.

Printed for the use of the Colonial Office.

Middle East
No. 15.

Confidential.

MIDDLE EASTERN SERVICES ESTIMATE, 1927.

COLONIAL OFFICE,
OCTOBER, 1928.

Not to be destroyed.

Printed for the use of the Colonial Office.

Middle East
No. 15.

Confidential.

MIDDLE EASTERN SERVICES ESTIMATE, 1927.

COLONIAL OFFICE,
OCTOBER, 1928.

Printed for the use of the Colonial Office.

Middle East
No. 15.

Confidential.

MIDDLE EASTERN SERVICES ESTIMATE,

1927.

COLONIAL OFFICE,
OCTOBER, 1928.

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6. Sub-head L.—Aden 38

III. CORRESPONDENCE.

Serial No., From or to whom, Despatch No., &c., and Date.	Subject and Page No.
Provisional Estimate.	
1926.	
1 To Treasury ... November 4	Transmits the Estimate for Middle Eastern Services for the financial year 1927. States that the figure is provisional pending the settlement of the outstanding questions indicated 46
2 Treasury ... ... February 28	Approves the Estimate for Middle Eastern Services for 1927. Indicates basis on which provision under Sub-heads H, J, and L has been made, and states that an Appropriation-in-Aid Sub-head has been opened for the purpose indicated 48
Sub-head A.—Defence.	
1927.	
3 Treasury ... ... January 18	Desires to offer no observations on the figure for Imperial Defence Services in Palestine, but considers that a reduction can be effected on that for similar services in 'Iraq, and suggests a provisional reduction of £300,000 48
4 To Air Ministry ... January 24	Transmits a copy of No. 3, and requests views on the proposal to reduce the provision for the 'Iraq Garrison 49
5 Air Ministry ... January 26	In reply to No. 4, states that the Council are of opinion that no reduction can be made in the estimate, for the reasons indicated 49
6 To the High Commissioner, 'Iraq, Telegram No. 27 ... January 26	States the position with regard to the Treasury proposal to reduce the provision for the 'Iraq Garrison, and requests comments thereon... 51
7 The High Commissioner, 'Iraq, Telegram No. 45 ... January 28 (Rec. Jan. 28)	For the reasons indicated, feels difficulty in proposing any further reduction before the future policy for the 'Iraq Army is settled and has begun to bear fruit. If pushed to the utmost, one Indian battalion might be dispensed with 51
8 To Treasury ... February 3	Transmits copy of No. 5, and considers that, in the circumstances indicated, it is not possible at present to reduce the number of Air Squadrons in 'Iraq further. The question of dispensing with one of the Indian battalions will be considered during the course of the year. Trusts, therefore, that Their Lordships will agree to the full provision on account of 'Iraq Defence, on the understanding that an endeavour will be made to effect a saving during the year ... 52

Serial No., From or to whom, Despatch No., &c., and Date.			Subject and Page No.	
		1927.		
9	Air Ministry ...	February 9	Transmits Section II, 1, respecting Defence Services in 'Iraq, Palestine and Trans-Jordan	53
10	Treasury	February 17	Will accept the present Estimate for 'Iraq Defence on the understanding that a saving will be effected if possible during the year. Agrees that the transfer of additional battalions of the Levies should be deferred for consideration in the light of the report of the Oversea Defence Committee on the re-organisation of the 'Iraq Army	53
		Sub-head B.—Boundary Commission.		
		1926.		
11	To Treasury	October 25	Transmits copy of a note from the French Government to the British Ambassador at Paris regarding the delimitation of the frontier between 'Iraq and Syria. In view of the French Government's desire to defer the opening of negotiations on this subject, it is proposed to include £3,000 in the Vote as a revote for this service	54
12	Treasury	October 30	Concurs provisionally in the course proposed in No. 11	54
		Sub-head C.—High Commissioner.		
13	The High Commissioner, 'Iraq, Confidential C,	October 14 (Rec. Oct. 25)	Requests approval for the re-creation of the post of Legal Secretary, and the early appointment of a competent officer to fill the post	55
14	The High Commissioner, 'Iraq, 1367	October 21 (Rec. Nov. 8)	Transmits, with observations thereon, the estimates of the High Commission for 1927-28	55
15	To Treasury ...	November 26	Transmits, with observations, copy of No. 13, and requests approval of the creation of the proposed new appointment	57
16	To Treasury ...	December 3	Transmits a copy of No. 14, with observations thereon, and recommends the High Commissioner's proposals for Treasury approval	57
17	Treasury	December 4	Sanctions the proposal contained in No. 15	58
18	Treasury	December 22	In reply to No. 16, sanctions the provision of £25,000 under the Sub-head "High Commissioner, Salaries and Expenses"	58
		Sub-head D.—Contributions to assist in the maintenance of the 'Iraq Army.		
		1926.		
19	To Treasury	May 30	Refers to the Cabinet decision regarding a grant to the 'Iraq Government for defence purposes, and requests approval of the inclusion of a sum of £90,000 in a supplementary estimate	59
20	To Treasury ...	October 20	States that, for the reasons indicated, it is proposed to include a sterling sum equivalent to Rs. 19½ lakhs for 'Iraq defence in the draft Estimates for 1927 ...	59
21	Treasury	October 28	In reply to No. 20, states that it would be preferable to restrict the provision in the 1927 Estimates to the sterling equivalent of Rs. 18 lakhs, the balance to be proposed in the 1928-29 Estimates. No reason is seen for making any addition to the present subvention in connection with the transfer of Levy units to the 'Iraq Army	60
		1927.		
22	Treasury	February 9	States that no reason is seen for making additional provision of £52,500 in the Grant-in-Aid of the maintenance of the 'Iraq Army in the 1927 Estimates, and it is proposed therefore to delete that sum. Considers that schemes for the organisation of the 'Iraq Forces should be prepared on the basis that no financial assistance will be available after 1927-28 ...	60

Serial No., From or to whom, Despatch No., &c., and Date.			Subject and Page No.	
		Sub-head E.—Native Levies.		
		1926.		
23	The Acting High Commissioner, 'Iraq, Confidential B	November 11 (Rec. Nov. 22)	Transmits, with observations thereon, the draft Estimates for the 'Iraq Levies for 1927-28...	61
24	Treasury	November 22	Sanctions payment of gratuities to non-regular British Officers, Warrant Officers and Non-commissioned Officers serving with the 'Iraq Levies, on the terms indicated	64
		1927.		
25	To Treasury ...	January 25	Submits observations on the draft Estimates for the 'Iraq Levies, and recommends that the amount included in the Vote under this head should be retained	64
26	Treasury	February 7	In reply to No. 25, approves the draft Estimates as submitted	67
27	To the High Commissioner, 'Iraq, 314	... March 28	Approves the recommendations regarding the grant of gratuities to non-regular British Officers, Warrant Officers, and Non-commissioned Officers serving with the 'Iraq Levies	67
		Sub-head F.—Native Levies—Disability Compensation.		
		1926.		
28	To Treasury	October 25	States that it is proposed to insert a sum of £600 in the Vote, to meet disability compensation and retired pay to British Officers and men lately serving in the Levies, and gives details of payments to be made under this Head	68
29	Treasury	October 30	Sanctions the proposal contained in No. 28	68
		Sub-head G.—British Officials' Compensation.		
		1926.		
30	To Treasury ...	November 1	Transmits copy of a telegram from the Acting High Commissioner for 'Iraq regarding the provision required to be made in the Vote in connection with the sub-heads indicated, and states that, pending receipt of the detailed Estimates, provision is being inserted as indicated	69
		1927.		
31	Treasury	February 8	In reply to No. 30, sanctions the provision proposed for Sub-head G. The other sub-heads referred to will be dealt with separately	69
		Sub-head H.—Trans-Jordan Frontier Force.		
		Sub-head J.—Trans-Jordan Administration.		
		1926.		
32	Treasury	May 26	Requests confirmation of the arrangements indicated, in regard to the incidence of the cost of the Trans-Jordan Frontier Force and of the Trans-Jordan Grant-in-Aid, in connection with the Middle East Estimates for 1926-27	70
33	The High Commissioner, Palestine, Confidential A,	August 24 (Rec. Sept. 7)	Submits his appreciation of the general situation as between Palestine and Trans-Jordan consequent upon, and in relation to, the policy laid down for their administration and government	70
34	To the Officer Administering the Government, Palestine, Telegram No. 268	September 25	With regard to No. 33, submits comments on the question of the contribution from Palestine revenues towards the cost of Trans-Jordan, and requests the High Commissioner's recommendations on this point in connection with the Middle East Estimates for next year	73

Serial No., From or to whom, Despatch No., &c., and Date.	Subject and Page No.
1926.	
35 To Treasury ... November 2	Transmits copy of a telegram from the High Commissioner, Palestine, regarding the provision in the Vote for the heads indicated. Pending receipt of detailed proposals, the provision indicated has been inserted 73
36 The High Commissioner, Palestine, Confidential October 27 (Rec. Nov. 8)	In reply to No. 34, states that under the circumstances he is prepared to acquiesce in the share of the cost of the Trans-Jordan Frontier Force being again one-half, but trusts that if His Majesty's Government dissent from his view that the finances of Palestine and Trans-Jordan should be kept distinct, they will agree that any contribution levied from Palestine for the assistance of Trans-Jordan should be considered as purely temporary, to be reviewed from year to year 74
37 To the High Commissioner, Palestine, Confidential December 16	In reply to No. 33, indicates the assumption on which the draft Estimates for 1927-28 have been framed ... 75
1927.	
38 Treasury ... ... January 12	In reply to No. 35, states that Treasury sanction will be given to the provision for the heads in question at the reduced figures indicated 76
39 To the High Commissioner, Palestine, Telegram No. 14 January 25	States that the Treasury refuse to agree to the draft Estimates in their present form and have submitted proposals for their revision. For the reasons indicated it is proposed, subject to the High Commissioner's concurrence, not to contest the Treasury proposals in principle, but to argue on the lines indicated ... 77
40 The High Commissioner, Palestine, Telegram No. 16 February 6 (Rec. Feb. 6)	States that a despatch is being forwarded requesting the arrangements indicated in regard to the cost of the Trans-Jordan Frontier Force, and the Budget deficit 78
41 To the High Commissioner, Palestine, Telegram No. 20 February 7	States that the figures for the Frontier Force, contained in No. 40, are not understood, and indicates what it is considered that the Palestine share should be ... 78
42 The High Commissioner, Palestine, Telegram No. 18 February 8 (Rec. Feb. 8)	States the cost of the Frontier Force, and indicates what the total provision for Trans-Jordan should be ... 78
43 The High Commissioner, Palestine, Telegram No. 19 February 10 (Rec. Feb. 10)	States that the deficit given in No. 42 assumes the surrender of the anticipated surplus balance for 1926-27, which is based on the receipt of the full Grant-in-Aid for 1926-27 79
44 To Treasury ... February 10	In reply to No. 38, transmits copy of No. 42 and recommends adoption of the proposal contained therein 79
45 To Treasury ... February 10	Transmits a copy of No. 43, and requests sanction of the revised sum proposed under Sub-head J of the Vote 80
46 The High Commissioner, Palestine, Confidential A February 3 (Rec. Feb. 14)	In reply to No. 39, submits observations as to the Treasury's proposals, and submits an alternative proposal for consideration 80
47 Treasury ... ... February 17	In reply to No. 45 states that My Lords are unable to sanction the arrangements proposed, and indicates the provision which has been made in the Estimate. Requests that the Palestine Government should be informed in the sense indicated regarding the cost of defence, so that it may adjust its finances to the future position 82

Serial No., From or to whom, Despatch No., &c., and Date.	Subject and Page No.
1927.	
48 The High Commissioner, Palestine, 280 ... February 22 (Rec. March 7)	Transmits, with observations thereon, the draft Estimates for Trans-Jordan for 1927-28 83
49 To Treasury ... March 11	In reply to No. 47, surveys the general financial position of Palestine, and requests reconsideration of the question of the Grant-in-Aid to the Trans-Jordan Administration. Puts forward proposals for the future financial policy with regard to the cost of the Imperial Garrison, &c. 84
50 Mr. Winston S. Churchill to Mr. L. S. Amery March 17	In reply to No. 49, requests that the arrangement indicated may take effect with regard to the Trans-Jordan Grant-in-Aid for the year 1927-28, so as to allow the total of the Vote to remain unchanged 87
51 Treasury ... ... March 29	States that Their Lordships are glad to observe that the Estimates for Trans-Jordan are not substantially higher than those for the preceding year. Understands that the Grant-in-Aid required has been further reduced, and would be glad to receive later particulars of the financial position, together with the Secretary of State's opinion on the Estimates ... 87
52 Mr. L. S. Amery to Mr. Winston S. Churchill March 30	Understands that the C.O. proposal will be accepted, and requests an official reply in that sense to No. 49 88
53 Treasury ... ... April 5	States that the principle is accepted that the Palestine Government shall not be expected to contribute towards the cost of the Trans-Jordan Administration, and submits proposals for the future apportionment of the cost of British Forces in Palestine and Trans-Jordan 88
54 To the High Commissioner, Palestine, Telegram No. 65 April 12	Gives the substance of the financial arrangements arrived at with the Treasury 89
55 To Treasury ... ... April 14	States that the general financial settlement proposed in No. 53 is accepted 90
56 To Treasury ... ... May 11	Submits observations on the draft Estimates for Trans-Jordan for 1927-28 90
57 Treasury ... ... June 16	Submits observations as to the draft Estimates for Trans-Jordan for 1927-28. Requests that the financial returns for 1925-26 be furnished, and sanctions the various proposals contained in No. 56. Concurs in the draft telegram and despatch which it is proposed to send to Lord Plumer 91
58 To the Officer Administering the Government, Palestine, 849 ... ... July 6	Transmits observations on the draft Estimates for Trans-Jordan for 1927-28, together with a copy of No. 57 92

Sub-head K.—Arabia.

1926.	
59 To Treasury ... ... October 30	States that it is proposed to insert in the Estimates a sum of £1,000 under the Sub-head "Arabia, Sundry Political Expenditure," and indicates how this figure is arrived at 95
60 Treasury ... ... November 4	Approves the proposal contained in No. 59, but states that it will be subject to review in February next ... 95
1927.	
61 To Treasury ... February 9	Requests agreement to the retention of the Political Mission at Hodeidah until the future relations between His Majesty's Government and the Imam are settled 96

Serial No., From or to whom, Despatch No., &c., and Date.			Subject and Page No.	
		1927.		
62	Treasury	February 14	In reply to No. 61, agrees to the provision for the Mission in the Estimates to 31st March, 1928, on the understanding that the matter will be reviewed in the event of any material change in the relations between His Majesty's Government and the Imam ...	96
			Sub-head L.—Aden.	
		1927.		
63	War Office	January 11	Refers to the decision to transfer Aden from Indian to Imperial control, and requests that provision may be made in the Estimates for repayment during 1927 of the sum indicated to the War Office in respect of the Aden garrison	96
64	Air Ministry ...	February 9	States the sum which will be provided in the Air Estimates, 1927, in respect of defence services at Aden	97
65	To Treasury ...	February 10	Indicates certain modifications in the Middle East Estimate made necessary by the decision regarding the transfer of Aden to Imperial control	97
66	Treasury	February 17	In reply to No. 65, regret that Their Lordships are unable to accept the figures proposed, and propose to reduce the provision for Aden to the amount indicated	98
67	To India Office ...	February 23	In view of the reduction by the Treasury of the gross provision for Aden in the draft Estimates, suggests that a conference should take place between representatives of the Colonial Office and India Office to discuss the question of the expenditure essential for the political administration of Aden	98
68	To War Office ...	February 23	Transmits copy of No. 66 and enquires whether the detailed information referred to in No. 63 is yet available. Requests also observations on the details of the provision required for military expenditure in Aden in 1927	99
69	To Air Ministry ...	February 23	Transmits copy of No. 66, and requests observations on the details of the provision required for Air Expenditure at Aden in 1927	99
70	War Office to Treasury (Rec. in C.O. Feb. 26)	February 24	States that it is now too late to amend the figure for Aden military defence, and the Army Council are bound to press for re-imbursement of the expense of the Aden garrison	100
71	War Office	March 4	Encloses copy of a telegram from the Government of India regarding the cost of the Aden garrison, and states that for the reasons indicated it is not yet possible to offer any useful observations on the Aden estimate	101
72	Air Ministry	March 8	In reply to No. 69, states that if the facts accord with the assumption indicated, the Air Council can hold out no hope of effecting any saving on the estimate ...	101
73	To the Resident, Aden, Telegram	March 17	Requests details of estimated revenue and expenditure for 1926-27 and 1927-28 indicating against each item of expenditure and revenue the particulars indicated	102
74	The Acting Political Resident, Aden 65	March 30 (Rec. April 11)	Transmits the information asked for in No. 73 ..	102
75	To India Office	May 3	Transmits copy of No 74, and requests observations thereon	102
		1928.		
76	Viceroy, Foreign and Political Department, to Secretary of State for India ... (Rec. in Colonial Office, Mar. 21)	March 15	Submits proposals for the division of Aden expenditure	103

I.

PARLIAMENTARY VOTE.

MIDDLE EASTERN SERVICES.

I. ESTIMATE of the Amount required in the Year ending 31st March, 1928, for sundry MIDDLE EASTERN SERVICES under His Majesty's Secretary of State for the Colonies, including certain Non-effective Services and GRANTS-IN-AID.

Three Million Three Hundred and Ninety-five Thousand Pounds.

II. SUBHEADS under which this Vote will be accounted for by the COLONIAL OFFICE.

	1927.	1926.	*Increase.*	*Decrease.*
'Iraq and Palestine.	£	£	£	£
A.—Defence	2,519,000	3,455,500	—	936,500
B.—Boundary Commission (Re-vote) ...	3,000	3,000	—	—
'Iraq.				
C.—Contribution in respect of High Commissioner, Salaries and Expenses...	25,000	25,000	—	—
D.—Contribution to 'Iraq Government to assist in the maintenance of the 'Iraq Army (Grant-in-Aid) ...	135,000	135,000	—	—
E.—Maintenance of Native Levies ...	378,400	617,000	—	238,600
F.—Native Levies, Disability Compensation, &c.	600	500	100	—
G.—British Officials—Compensation ...	2,000	7,000	—	5,000
Palestine.				
H.—Trans-Jordan Frontier Force (Grant-in-Aid)	45,000	108,000	—	63,000
J.—Contribution to Trans-Jordan Administration (Grant-in-Aid) ...	62,000	92,000	—	30,000
Arabia.				
K.—Sundry Political Expenditure ...	1,000	1,000	—	—
L.—Aden	509,000	—	509,000	—
GROSS TOTAL	£3,680,000	4,444,000	509,100	1,273,100
Deduct—				
M.—Appropriations in Aid	285,000	—	—	285,000
NET TOTAL	£3,395,000	4,444,000	509,100	1,558,100
NET DECREASE ...			£1,049,000	

	1927.	1926.
	£	£
The total receipts in connection with these Services are estimated as follows:—		
Appropriations in Aid above	285,000	—
Extra Receipts payable to H.M. Exchequer (Cash):—		
Port of Basrah: Interest and Sinking Fund on account of Assets taken over by the Port Authority	41,475	42,350
'Iraq Government: Interest and Sinking Fund on account of works of public utility taken over from His Majesty's Government	—	*45,800*
Miscellaneous receipts in connection with Sub-head C.	*	550
Sales of Equipment, &c., Fines, &c., in connection with Sub-head E.	*	4,000
Share of profit on the working of the Kantara-Rafa Railway	—	*3,100*
Kamaran Quarantine Station:—		
Repayment on account of advances	750	—
TOTAL RECEIPTS ..	£327,225	95,800

* Shown under Sub-head M in 1927.

Gp. 6. 99/1778. 30. 11/28. (76793) M. & S.

III. DETAILS of the foregoing.

	1927. £	1926. £
'IRAQ AND PALESTINE.		
A.—*Defence:* The provision of £2,519,000 for Defence, including cost of Indian troops employed, represents the sum payable by the Colonial Office to the War Office, Air Ministry and Government of India on account of services rendered in 'Iraq and Palestine. Of this sum, £2,219,000 is attributable to 'Iraq, and £300,000 to Palestine	£2,519,000	3,455,500
B.—*Boundary Commission (Revote):* Estimated sum required to be revoted as the balance of the cost to Imperial Funds of a Commission to determine the boundary between British and French Mandatory Territories in Syria, Palestine, and 'Iraq, in accordance with Article II. of the Anglo-French Convention of 23rd December, 1920 (Cmd. 1195). This balance remained unexpended on 31st March, 1927, through postponement of the work on the 'Iraq Section. One-half of the British share of the total cost will be met from Palestine and 'Iraq revenues	£3,000	3,000
'IRAQ.		
C.—*Contribution in respect of High Commissioner, Salaries and Expenses:* This amount is required as a contribution to meet the moiety of the salaries and incidental expenses of the High Commissioner and his personal and political staff (including contributions in respect of a Provident Fund), which is chargeable to Imperial funds in accordance with the provisions of Article XIII of the Financial Agreement made under the Treaty with King Faisal (Cmd. 2120)	£25,000	25,000
D.—*Contribution to 'Iraq Government to assist in the Maintenance of the 'Iraq Army (Grant-in-Aid):* This represents the equivalent in sterling of Rs. 18 lakhs at 1s. 6d. to the rupee. The contribution will be issued subject to the condition that a definite increase of expenditure is incurred by the 'Iraq Government in the maintenance of the 'Iraq Army in order to secure increased efficiency. The expenditure out of the Grant-in-Aid will not be accounted for in detail to the Comptroller and Auditor-General, and no surrender will be made by the payee at the close of the year of the unexpended balance of such sums as may be issued out of the Grant-in-Aid	£135,000	135,000
E.—*Maintenance of Native Levies:* This force is under the orders of the High Commissioner and is distinct from the 'Iraq Army, in respect of which a grant is provided under Sub-head D. The sum provided represents the cost of maintaining the force at an estimated total strength, on 1st April, 1927, of 3,954. The organisation of this force, with the consequent release of Imperial troops, has resulted in a large net saving	£378,400	617,000

	1927. £	1926. £
F.—*Native Levies, Disability Compensation, &c.:* Disability Compensation and retired pay to British officers and men lately serving with the Native Levies in 'Iraq	£600	500
G.—*British Officials—Compensation:* Compensation for loss of employment to certain British officials whose appointments have been, or are being, terminated by the 'Iraq Government. These officials were given to understand in 1921 that they would secure permanent employment in 'Iraq. It has been decided to compensate these officers on the basis of past service, and the provision covers payments likely to be made before 31st March, 1928 (Revote) ...	£2,000	7,000
PALESTINE.		
H.—*Trans-Jordan Frontier Force (Grant-in-Aid):* This provision is a temporary contribution towards the cost of the Trans-Jordan Frontier Force, which is available for duty in both Palestine and Trans-Jordan, pending the transfer of the responsibility for defence to the Governments of these Territories. The estimated total expenditure during the financial year 1927 for a regiment of a strength of 779 is £220,000, including £54,000 of a non-recurrent and capital nature, and will be met from the funds of the Palestine Government with the assistance of this contribution which is calculated on the basis of one-sixth of the expenditure proper to 1927 and one-half of a revote from 1926. The expenditure out of this Grant-in-Aid will not be accounted for in detail to the Comptroller and Auditor-General, but he will be furnished by the Colonial Office with the audited accounts and with any report of the Director of the Colonial Audit thereon. Any unexpended balance of the Grant-in-Aid not required for the purpose of the Frontier Force will be surrendered to the Exchequer ...	£45,000	108,000
J.—*Contribution to Trans-Jordan Administration (Grant-in-Aid):* This amount is provided to assist the Administration in maintaining the Trans-Jordan Police Force, and towards meeting the salaries and expenses of the Chief British Representative and his Staff until such time as the Government of Trans-Jordan can meet the cost of these services. The expenditure on these two services will be controlled directly by the Chief British Representative on behalf of the Trans-Jordan Administration. The expenditure out of this Grant-in-Aid will not be accounted for in detail to the Comptroller and Auditor-General, but he will be furnished by the Colonial Office with the audited accounts and with any report of the Director of Colonial Audit thereon. No surrender will be made at the close of the year of any part of such sums as may be issued out of the Grant-in-Aid	£62,000	92,000

	1927. £	1926. £
ARABIA.		
K.—*Sundry Political Expenditure:*		
The amount is required to meet miscellaneous services in Arabia, including:— (*a*) Expenses at Hodeidah in connection with relations with the Idrisi of Asir and the Imam of the Yemen (£550). (*b*) Travelling expenses of Civil Administrator, Kamaran, while serving as Political Officer Southern Red Sea Coast (£200). (*c*) Miscellaneous Arabian Expenditure (£250) . .	£1,000	1,000
L.—*Aden:*		
Aden has hitherto been administered by the Government of India and the cost of the garrison, with the exception of the Royal Air Force, has been borne by India subject to a financial contribution by the Imperial Government which, since 1914, has consisted of two parts, viz. (1) a fixed sum of £100,000; (2) a moiety of the charge for troops in excess of the pre-war garrison. In the Estimates for 1926 provision for these contributions was made under Sub-head D of Vote 11 of the Army Estimates. With effect from the 1st April, 1927, responsibility for the political and military administration of Aden will be vested in the Secretary of State for the Colonies and the cost will be borne upon the Vote for Middle Eastern Services in the same way as other similar expenditure in the Middle East. The Government of India will contribute £250,000 towards the cost (*see* Sub-head M, Appropriations in Aid). After three years this contribution will be reduced to £150,000 a year or one-third of the cost, whichever is less. The provision of £509,000 represents sums payable by the Colonial Office to the War Office for Military Expenditure (£350,000) and to the Air Ministry for Air Force Expenditure (£110,000), the balance (£49,000) representing political expenditure. The total Imperial expenditure in connection with Aden, in 1926, is estimated to be:— £ Army Votes ... ... 200,000 Air Votes 45,000	£509,000	—
M.—*Appropriations in Aid:*		
Contribution from the Government of India towards the Military and Political charges in connection with Aden (*see* Sub-head L)	250,000	—
Contribution from Palestine revenues towards cost of Defence	31,000	—
Miscellaneous receipts in connection with Sub-head C ...	600	†
Sales of Equipment, &c., Fines, &c., in connection with Sub-head E	3,400	†
	£285,000	—

† In 1926 the corresponding receipts were shown as Extra Receipts payable to His Majesty's Exchequer.

II
DETAILS OF SERVICES.

1. Sub-head A.—Defence.

(*See Correspondence, Nos. 3-10.*)

MIDDLE EASTERN DEFENCE SERVICES, 1927.

ESTIMATE SUMMARY.

	Amount provided in Estimates 1926. £	*Estimates* 1927. £	*Increase +* *Decrease −* £
1. *Expenditure borne on Air Votes.*			
'Iraq	2,594,900	1,975,000	− 619,900
Palestine and Trans-Jordan	326,600	282,000	− 44,600
	2,921,500	2,257,000	− 664,500
2. *Expenditure borne on Army Votes.*			
'Iraq	268,000	34,000	− 234,000
Palestine and Trans-Jordan	16,000	18,000	+ 2,000
	284,000	52,000	− 232,000
3. *Expenditure borne on Middle Eastern Votes.*			
'Iraq	250,000	210,000	− 40,000*
	£3,455,500	£2,519,000	− £936,500

'Iraq.

	Amount provided in Estimates 1926. £	*Estimates* 1927. £	*Difference between Estimates* 1926 *and Estimates* 1927 *Increase + or Decrease −* £
1. *Expenditure borne on Air Votes.*			
Vote 1. Pay, etc., of the Air Force ...	865,000	675,000	− 190,000
2. Quartering, Stores (except Technical) Supplies and Transport	460,000	352,000	− 108,000
3. Technical and Warlike Stores...	876,000	640,000	− 235,000
4. Works, Buildings and Lands ...	255,800	185,500	− 70,300
5. Medical Services	117,000	89,000	− 28,000
6. Educational Services	4,850	5,000	+ 150
9. Miscellaneous effective Services	15,400	9,500	− 5,900
10. Air Ministry	—	18,500	+ 18,500
11. Non-effective payments to Civilians	850	500	− 350
	£2,594,900	£1,975,000	− £619,900
2. *Expenditure borne on Army Votes.*			
Miscellaneous Army Details	268,000	34,000	− 234,000
3. *Expenditure borne on Middle Eastern Votes.*			
Infantry Battalions, and Company of Sappers and Miners	250,000	210,000	− 40,000
	£3,112,900	£2,219,000	− £893,900

* Amended—*See* No 49 on file.

Palestine and Trans-Jordan.

		Amount provided in Estimates 1926. £	*Estimates 1927.* £	*Difference between Estimates 1926 and Estimates 1927 Increase + or Decrease —* £
1. *Expenditure borne on Air Votes.*				
Vote 1.	Pay, etc., of the Air Force ...	94,000	73,000	— 21,000
2.	Quartering, Stores (except Technical) Supplies and Transport	59,000	50,000	— 9,000
3.	Technical and Warlike Stores...	102,000	104,000	+ 2,000
4.	Works, Buildings and Lands ...	50,200	38,000	— 12,200
5.	Medical Services	17,000	12,000	— 5,000
6.	Educational Services	1,300	1,000	— 300
9.	Miscellaneous effective Services	3,000	1,400	— 1,600
10.	Air Ministry	—	2,500	+ 2,500
11.	Non-effective payments to Civilians	100	100	—
		£326,600	£282,000	— £44,600
2. *Expenditure borne on Army Votes.*				
	Wireless Unit	16,000	18,000	+ 2,000
		£342,600	£300,000	— £42,600

2. Sub-head C.—"High Commissioner's Salaries and Expenses," 1927.

(*See Correspondence, Nos.* 13-18.)

Item.	*Numbers* 1926-1927.	1927-1928.	*Service.*	*Provision.* 1926-27 *Rs.*	1927-28 *Rs.*	*Difference.* + *Rs.*	— *Rs.*	*Expenditure to 30th September,* 1926.	*Explanation or Remarks.*
			Vote I.—Salaries.						
1	1	1	H.E. the High Commissioner	75,000	75,000	—	—	37,500	
2	—	—	,, ,, Entertainment Allowance ...	15,000	15,000	—	—	7,500	
3	1	1	Private Secretary	10,800	10,800	—	—	5,400	
4	—	—	,, ,, Special Allowance ...	1,800	—	—	1,800	900	Allowance abolished consequent on appointment of Captain Holt as Oriental Secretary. (See Item 10.)
5	1	1	Aide-de-Camp	10,800	7,000	—	3,800	2,910	Not likely to be employed for whole of year.
6	1	1	Counsellor	40,000	40,000	—	—	20,000	
7	1	1	Financial Secretary	21,200	22,400	1,200	—	10,420	Normal increment.
8	1	1	Political Secretary	19,440	20,640	1,200	—	9,600	Normal increment.
9	—	1	Legal Secretary	—	18,300	18,300	—	—	Proposed new appointment. Sanction is being applied for separately.
10	1	1	Oriental Secretary	17,900	16,300	—	1,600	6,432	Appointment of Captain Holt as Oriental Secretary was approved in Colonial Office telegram, No. 386, dated 22nd September, 1926.*
11	1	1	Under-Secretary (Consular)	14,550	15,450	900	—	7,050	Normal increment.
12	1	1	Registrar	8,250	8,850	600	—	4,050	Normal increment.
13	—	—	Leave arrangements ...	7,500	7,500	—	—	3,767	To provide relief for Financial Secretary for six months.
			Total to Summary ...	2,42,240	2.57,240	22,200	7,200	1,15,529	

* C. 17817/26: not printed.

Item.	Numbers 1926-1927.	Numbers 1927-1928.	Service.	Provision. 1926-27 Rs.	Provision. 1927-28 Rs.	Difference. + Rs.	Difference. − Rs.	Expenditure to 30th September, 1926.	Explanation or Remarks.
			British Clerks.						
14	1	1	Superintendent, Confidential Section ...	6,175	6,975	800	—	3,248	Change in incumbency.
15	—	—	,, ,, Charge Allowance	600	600	—	—	300	
16	2	2	Cipher Clerks—(1) ...	5,110	5,300	190	—	3,116	Normal increment.
			(2) ...	5,575	5,875	300	—	2,725	Normal increment.
17	1	1	Stenographer	5,950	6,250	300	—	2,950	Normal increment.
18	1	1	Confidential Clerk	6,675	5,110	—	1,565	2,555	Change in incumbency.
			Total to Summary ...	30,085	30,110	1,590	1,565	14,894	

Item.	Numbers 1926-1927.	Numbers 1927-1928.	Service.	Provision. 1926-27 Rs.	Provision. 1927-28 Rs.	Difference. + Rs.	Difference. − Rs.	Expenditure to 30th September, 1926.	Explanation or Remarks.
			Office Establishment.						
19	1	1	Political Attaché	6,000	6,000	—	—	3,000	
			,, Personal Allowance ...	600	600	—	—	300	
20	1	1	Head Translator	6,000	6,000	—	—	3,000	
			,, Personal Allowance ...	600	600	—	—	300	
21	1	1	Superintendent	6,000	6,000	—	—	3,000	
			,, Personal Allowance ...	600	600	—	—	300	
			Grade I Clerks, Rs. 275-15-350.						
22	1	1	Head Typist	3,300	3,300	—	—	1,650	
23	1	1	Consular Clerk	4,125	4,200	75	—	2,025	Normal increment.
24	1	1	Translator (1)	3,555	3,735	180	—	1,740	Normal increment.
25	1	1	Assistant Record Keeper ...	4,185	4,200	15	—	2,085	Normal increment.
26	1	1	Head Despatch Clerk ...	3,195	3,375	180	—	1,560	Normal increment.
			Grade II Clerks, Rs. 200-15-260.						
27	1	1	Despatch Clerk	2,535	2,715	180	—	1,245	Normal increment
28	3	3	Record Clerks (1)	2,865	3,045	180	—	1,584	Normal increment
			(2)	2,745	2,925	180	—	1,364	Normal increment.
			(3)	2,400	2,580	180	—	1,400	Normal increment.
			Total to Summary ...	48,705	49,875	1,170	—	24,553	

Item.	Numbers 1926-1927.	Numbers 1927-1928.	Service.	Provision. 1926-27 Rs.	Provision. 1927-28 Rs.	Difference. + Rs.	Difference. − Rs.	Expenditure to 30th September, 1926.	Explanation or Remarks.
29	1	1	Typist	2,580	2,760	180	—	1,290	Normal Increment.
30	1	1	Stenographer	3,120	3,120	—	—	1,560	
31	1	1	Translator (2)	2,400	2,400	—	—	360	
32	1	1	Librarian and Draughtsman	2,775	2,955	180	—	1,395	Normal Increment.
33	—	1	Confidential Typist... ...	—	2,400	2,400	—	—	Additional post, owing to great increase in confidential work. (See Item 34.)
			Grade III Clerks, Rs. 150-10-190.						
33(a)	1	1	Personal Clerk	1,900	2,020	120	—	940	Normal increment.
34	2	2	Despatch Clerks (1) ..	2,280	2,280	—	—	1,236	
			(2) ...	2,280	—	—	2,280	940	Post abolished to provide pay for Item 33.
35	4	4	General Clerks (1)... ..	2,270	2,280	10	—	1,134	Normal Increment.
			(2)... ...	2,020	2,140	120	—	1,005	Normal Increment.
			(3)... ...	2,190	2,280	90	—	1,080	Normal Increment.
			(4)... ...	2,280	2,280	—	—	1,138	
			Total to Summary ...	26,095	26,915	3,100	2,280	12,078	

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Item.	Numbers 1926-1927.	Numbers 1927-1928.	Service.	Provision. 1926-27 Rs.	Provision. 1927-28 Rs.	Difference. + Rs.	Difference. − Rs.	Expenditure to 30th September, 1926.	Explanation or Remarks.
36	4	4	Typists (1)	1,880	2,280	400	—	1,384	Change in incumbency.
			(2)	2,160	2,280	120	—	1,080	Normal increment
			(3)	2,130	2,250	120	—	1,052	Normal increment.
			(4)	2,030	2,150	120	—	1,005	Normal increment.
			Grade IV Clerks, Rs. 100-10-140						
37	1	1	General Clerk	1,490	1,610	120	—	720	Normal increment.
			Accounts Establishment.						
38	1	1	Accounts Officer	6,725	7,025	300	—	3,300	Normal increment.
39	1	1	Cashier (Grade I)	3,300	3,300	—	—	1,622	
40	1	1	Accounts Clerk (Grade I) ...	3,300	3,375	75	—	1,650	Normal increment.
41	1	1	Accounts Clerk (Grade III)..	1,900	2,020	120	—	914	Normal increment.
42	1	1	Assistant Cashier (Grade III)	2,030	1,660	—	370	1,155	Change in incumbency.
			Total to Summary ...	26,945	27,950	1,375	370	13,882	

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Item	Numbers 1926-1927.	Numbers 1927-1928.	Service.	Provision. 1926-27 Rs.	Provision. 1927-28 Rs.	Difference. + Rs.	Difference. − Rs.	Expenditure to 30th September, 1926.	Explanation or Remarks.
43	2	2	Daftries (Book Binders)— 1 at Rs. 100 1 at Rs. 50 — Rs. 150	1,800	1,800	—	—	900	
44	1	1	Store-keeper	960	960	--	—	480	
45	15	15	Qawasses	7,980	7,860	—	120	3,898	Employment of new Qawasses at lower rates.
46	1	1	Coffeeman	600	600	—	—	288	
47	2	2	Sweepers at Rs. 50 each ...	1,200	1,200	—	—	300	
48	1	1	Night-watchman	720	720	—	—	360	
			Office Transport Establishment.						
49	1	1	Car Driver	960	960	—	—	480	
50	1	1	Launch Driver	1,080	1,080	—	—	540	
			Total to Summary ...	15,300	15,180	—	120	7,246	

Item.	Numbers 1926-1927.	Numbers 1927-1928.	Service.	Provision. 1926-27 Rs.	Provision. 1927-28 Rs.	Difference. + Rs.	Difference. − Rs.	Expenditure to 30th September, 1926.	Explanation or Remarks.
			Residency Establishment.						
51	1	1	Dragoman	5,400	5,400	—	—	2,700	
52	1	1	British Chauffeur	5,980	6,000	20	—	2,980	Normal increment.
52	1	1	Messenger	960	960	—	—	480	
54	2	2	Qawasses	960	960	—	—	480	
55	3	3	Syces	1,620	1,620	—	—	810	
56	4	4	Gardeners	2,520	2,520	—	—	1,122	
57	1	1	Car and Launch Driver ...	1,440	1,440	—	—	720	
58	1	1	Launch Khalassi ... ..:	720	720	—	—	360	
59	1	1	Khalassi	720	720	—	—	360	
60	4	4	Sweepers at Rs. 50 each ...	2,400	2,400	—	—	600	
			Total to Summary ...	22,720	22,740	20	—	10,612	

Item.	Numbers 1926-1927.	Numbers 1927-1928.	Service.	Provision. 1926-27 Rs.	Provision. 1927-28 Rs.	Difference. + Rs.	Difference. − Rs.	Expenditure to 30th September, 1926.	Explanation or Remarks
			Vote II.—Allowances and Services.						
61	Article	1	Ration Allowance	19,020	18,050	—	970	9,409	Revised conditions of service for Indian officials are now under consideration. For details see Appendix.*
62	,,	2	Rent Allowance	12,400	11,420	—	980	5,510	do. do. do.
63	,,	3	Horse Allowance	1,800	1,800	—	—	900	
64	,,	4	Travelling and Tour Charges	6,000	4,500	—	1,500	953	
65	,,	5	Books, Printing and Stationery	7,680	7,000	—	680	4,446	
66	,,	6	Furniture and Equipment...	1,200	1,000	—	200	153	
67	,,	7	Office Contingencies ...	2,000	1,460	—	540	253	
			Total to Summary ...	50,100	45,230	—	4,870	21,624	

* page 18.

Item.	Numbers 1926-1927.	Numbers 1927-1928.	Service.	Provision. 1926-27 Rs.	Provision. 1927-28 Rs.	Difference. + Rs.	Difference. − Rs.	Expenditure to 30th September, 1926.	Explanation or Remarks.
68	Article	8	Rent of Telephone	6,800	6,500	—	300	3,092	
69	,,	9	Uniforms and Liveries ...	1,450	1,200	—	250	485	
70	,,	10	Postage and Telegrams ...	55,000	54,000	—	1,000	35,436	
71	,,	11	Sumptuary Allowance ...	1,500	1,500	—	—	750	
72	,,	12	Billet Rents	16,075	16,050	—	25	6,881	
73	,,	13	Secret Service	23,500	18,000	—	5,500	2,150	
74	,,	14	Mechanical Transport ...	11,000	12,000	1,000	—	3,510	Provision of a new official car for the High Commissioner will be essential during the year, owing to the age and condition of those at present on charge.
75	,,	15	Maintenance of Billets ...	4,495	3,000	—	1,495	739	
76	,,	16	Maintenance of Residency...	45,000	40,000	—	5,000	7,407	Provision was made in 1926-27 Estimates for small capital works. No provision is required on this account during 1927-28.
77	,,	17	Furniture for Residency ...	2,000	3,600	1,600	—	4,200	Extra cost of bringing equipment of Residency nearer to requirements.
			Total to Summary ...	1,66,820	1,55,850	2,600	13,570	64,650	

Item.	Numbers 1926-1927.	Numbers 1927-1928	Service.	Provision. 1926-27 Rs.	Provision. 1927-28 Rs.	Difference. + Rs.	Difference. − Rs.	Expenditure to 30th September, 1926.	Explanation or Remarks.
78	Article	18	Cost of Passages	13,000	11,000	—	2,000	2,301	Reduction in number of passages required for British personnel.
79	,,	19	Pensionary Contributions to other Governments ...	15,000	10,000	—	5,000	2,905	Reduction in number of permanent officials, and anticipated reduction in rate charged by the Government of India.
80	,,	20	Medical attendance of High Commissioner's Staff ...	1,000	1,000	—	—	26	
81	,,	21	Presentation Articles ...	1,500	—	—	1,500	—	No new purchases during the year.
82	,,	22	Provident Fund	15,490	21,910	6,420	—	6,347	Increase due to participation in Provident Fund of Legal and Oriental Secretaries and provision for annual increments.
			Total to Summary ...	45,990	43,910	6,420	8,500	11,579	

Item.	Numbers 1926-1927.	Numbers 1927-1928.	Service.	Provision. 1926-27 Rs.	Provision. 1927-28 Rs.	Difference. + Rs.	Difference. − Rs.	Expenditure to 30th September, 1926.	Explanation or Remarks.
			Summary.						
		Sheet No.	1 (page 7) ...	2,42,240	2,57,240	22,200	7,200	1,15,529	
		,, ,,	2 (page 8) ...	30,085	30,110	1,590	1,565	14,894	
		,, ,,	3 (page 9) ...	48,705	49,875	1,170	—	24,553	
		,, ,,	4 (page 10) ...	26,095	26,915	3,100	2,280	12,078	Vote I.—" Salaries " ... Rs. 4,30,010
		,, ,,	5 (page 11) ...	26,945	27,950	1,375	370	13,882	
		,, ,,	6 (page 12) ...	15,300	15,180	—	120	7,246	
		,, ,,	7 (page 13) ...	22,720	22,740	20	—	10,612	
		,, ,,	8 (page 14) ...	50,100	45,230	—	4,870	21,624	
		,, ,,	9 (page 15) ...	1,66,820	1,55,850	2,600	13,570	64,650	Vote II.—" Allowances and Services " Rs. 2,44,990
		,, ,,	10 (page 16) ...	45,990	43,910	6,420	8,500	11,579	
				6,75,000	6,75,000	38,475	38,475	2,96,647	Total ... Rs. 6,75,000
			at 18d. =	£50,625	0	0			
			Moiety payable by His Britannic Majesty's Government	£25,312	10	0*			

* £25,000 provided—*see* Correspondence, No. 18.

Item 61.—*Ration Allowance* :—

Scale.	*Monthly.*	*No.*	Cost. *Monthly.*	Cost. *Yearly.*
			Rs.	*Rs.*
(1) 500-999	70	3	210	2,520
(2) 400-499	60	1	60	720
(3) 200-399	55	13	715	8,580
(4) 80-199	50	12	600	7,200
		29		19,020
Less allowances not drawn on leave ...				970
				Rs. 18,050

Item 62.—*Rent Allowance* :—

Scale.	*Monthly.* *No.*	Cost. *Monthly.*	Cost. *Yearly.*
		Rs.	*Rs.*
	55 3	165	1,980
	45 1	45	540
	35 12	420	5,040
	25 12	300	3,600
	28		11,160
Special			660
			11,820
Allowances not drawn during leave			— 400
			Rs. 11,420

3. Sub-head E.—Maintenance of Native Levies.

(*See Correspondence, Nos. 23-27.*)

Item.	Numbers. 1926-1927.	Numbers. 1927-1928.	Service.	Provision. 1926-27. Rs.	Provision. 1927-28. Rs.	Difference. + Rs.	Difference. − Rs.	Expenditure to 30th September, 1926. Rs	Explanation or Remarks.
1	1	1	Colonel-Commandant	18,615 0 0	18,666 0 0	51 0 0	—		
2	1	1	G.S.O. II	11,071 10 8	11,102 0 0	30 5 4	—		
3	1	1	D.A.QM.G.	11,071 10 8	9,282 0 0	—	1,789 10 8		For 10 months.
4	1	1	D.A.A.G.	11,071 10 8	11,102 0 0	30 5 4	—		
5	1	2	Staff Captain	8,760 0 0	12,432 0 0	3,672 0 0	—		1 for 1 year, 1 for 5 months.
6	1	1	Works Officer ...	7,137 12 6	4,208 10 8	—	2,929 1 10		For 7 months.
7	1	1	Ordnance Officer ...	10,057 12 6	10,573 5 4	515 8 10	—		
8	2	2	Paymaster and Assistant Paymaster ...	17,218 5 0	17,242 10 8	24 5 8	—		
9	1	1	O.C. Depot	10,057 12 6	10,085 5 4	27 8 10	—		
10	1	1	O.C. Pack Battery ...	10,057 12 6	2,507 8 10	—	7,550 3 8		For 3 months.
11	6	5	O.C. Units	82,246 7 2	65,309 1 9	—	16,937 5 5		4 for 1 year, 1 for 9 months.
12	19	13	Regimental Officers—Captains	1,46,405 8 11	94,641 1 9	—	51,764 7 2		12 ,, 1 ,, 1 ,, 3 ,,
13	21	13	Regimental Officers—Subalterns ...		77.146 10 8			3,44,314 0 0	11 ,, 1 ,, 2 ,, 3 ,,
14	11	12	Regimental Officers—Subalterns	2,04,546 1 6	67,701 12 5	—	59,697 10 5		11 ,, 1 ,, 1 ,, 3 ,,
15	1	1	Veterinary Officer ...	9,851 10 4	6,506 10 8	—	3,344 15 8		For 6 months.
16	1	1	S.M.O. Lieutenant-Colonel	16,106 1 6	9,821 0 0	—	6,285 1 6		For 6 months. Charge Pay for 12 months.
17	3	3	Medical Officers, 2 Majors, 1 Captain	31,083 5 8	32,736 10 8	1,653 5 0	—		
18	7	—	Quartermasters ...	52,266 11 0	—	—	52,266 11 0		
19	7	5	Command Pay ...	15,573 5 4	9,722 10 8	—	5,850 10 8		3 for 1 year, 1 for 7 months Depot 1 year.
20	7	5	E.D. Pay—Adjutants	7,908 5 4	4,983 5 4	—	2,925 0 0		3 ,, 1 ,, 1 ,, 7 ,, ,, 1 ,,
21	7	5	E.D. Pay—Quartermasters	—	2,237 5 4	2,237 5 4	—		3 ,, 1 ,, 1 ,, 7 ,, ,, 1 ,,
22	15	11	Lodging Allowance—British Officers ...	14,963 5 4	11,102 0 0	—	3,861 5 4		
23	15	11	Fuel and Light Allowance—British Officers	9,572 11 6	5,552 9 9	—	4,020 1 9		
24	27	7	Outfit Allowance—British Officers ...	7,200 0 4	1,866 10 8	—	5,333 5 8		
25	74	50	Ration Allowance—British Officers ...	35,681 6 4	20,820 2 8	—	14,861 3 8*		41 for 1 year, 9 for 7 months.
26	74	50	Field Allowance—British Officers ...	43,235 0 0	29,746 0 0	—	13,489 0 0		41 ,, 1 ,, 9 ,, 7 ,,
27	15	11	Furniture Allowance—British Officers ...	7,319 15 8	5,368 0 0	—	1,951 15 8		
28	74	47	Colonial Allowance—British Officers ...	2,22,942 0 0	1,23,968 0 0	—	98,974 0 0		36 for 1 year, 9 for 8 months, 2 for 2 months.
29	5	6	British Warrant Officers Cl. I "T" ...	28,903 5 4	24,644 0 0	—	4,259 5 4	74,798 0 0	
30	1	1	British Warrant Officers Cl. I "N.T." ...	5,296 11 0	3,660 0 0	—	1,636 11 0		
30-A	3	3	British Warrant Officers Cl. II "T." ...	13,296 10 8	9,516 0 8	—	3,780 10 0		
			Total to Summary	10,69,518 1 11	7,14,251 5 10	8,241 12 4	3,63,508 8 5	4,19,112 0 0	

* Included in Ration figure of Rs. 7,92,307/-.

Item.	Numbers. 1926-1927.	Numbers. 1927-1928.	Service.	Provision. 1926-27. Rs.	Provision. 1927-28. Rs.	Difference + Rs.	Difference − Rs.		Expenditure to 30th September, 1926. Rs.	Explanation or Remarks.
			Brought forward	10,69,518 1 11	7,14,251 5 10	8,241 12 4	3,63,508 8 5		4,19,112 0 0	
31	8	5	British Warrant Officers Cl. II "N.T." ...	31,631 1 6	11,858 0 0	—	19,773 1 6			4 for 1 year, 1 for 5 months
31-A	8	6	British C.Q.M. Sergeants	27,737 12 2	13,881 0 0	—	13,856 12 2			5 ,, 1 ,, 1 ,, 5 ,,
32	5	4	British Sergeants "T"	16,728 14 7	9,760 0 0	—	6,968 14 7			4 ,, 1 ,,
32-A	17	17	British Sergeants "N.T."	48,602 3 7	29,776 0 0	—	18,826 3 7			14 ,, 1 ,, 3 ,, 5 ,,
33	15	13	Asst. Surgeons and Sub-Asst. Surgeons	72,900 0 0	63,150 0 0	—	9,750 0 0*			4 Asst. Surgeons for 1 year, 8 S.A.Ss. for 1 year, 1 S.A.S. for 6 months.
34	47	41	Clothing Allowance— B.N.C.Os. ...	6,062 11 0	5,031 5 4	—	1,031 5 8			37 for 1 year, 4 for 3 months.
34-A	47	39	Colonial Allowance— B.N.C.Os. ...	—	41,711 0 0	41,711 0 0	—			33 ,, 1 ,, 4 ,, 8 ,, 2 for 2 months.
35	10	7	Marriage Allowance— B.N.C.Os. ...	3,346 11 0	3,172 3 0	—	174 8 0			
36	8	11	Field Allowance— B.N.C.Os. ...	973 10 8	1,291 5 4	317 10 8	—			10 for 1 year, 1 for 7 months.
37	47	40	Ration Allowance— B.N.C.Os. ...	21,126 15 10	17,323 13 4	—	3,803 2 6			37 ,, 1 ,, 3 ,, 3 ,,
37-A	—	1	Senior Native Officer— A.D.C.	—	3,600 0 0	3,600 0 0	—			
38	7	5	Zabits Class I ...	16,800 0 0	9,800 0 0	—	7,000 0 0			3 for 1 year, 1 for 10 months, 1 for 3 months.
39	23	16	Zabits Class II ...	48,300 0 0	30,975 0 0	—	17,325 0 0			12 ,, 1 ,, 3 ,, 10 ,, 1 ,, 3 ,,
40	92	64	Zabits Class III ...	1,65,600 0 0	1,07,550 0 0	—	58,050 0 0			49 ,, 1 ,, 12 ,, 10 ,, 3 ,, 3 ,,
41	8	6	Native Warrant Officers Cl. I	8,640 0 0	6,300 0 0	—	2,340 0 0			5 ,, 1 ,, 1 ,, 10 ,,
42	24	17	Native Warrant Officers Cl. II	23,040 0 0	15,120 0 0	—	7,920 0 0			13 ,, 1 ,, 3 ,, 10 ,, 1 ,, 3 ,,
42-A	7	5	Native R.Q.M Sergeants	7,140 0 0	4,930 0 0	—	2,210 0 0			4 ,, 1 ,, 1 ,, 10 ,,
43	24	17	Native C.Q.M. Sergeants	23,040 0 0	15,840 0 0	—	7,200 0 0			14 ,, 1 ,, 3 ,, 10 ,,
44	178	133	Native Sergeants ...	1,46,260 0 0	1,04,070 0 0	—	12,190 0 0			102 ,, 1 ,, 27 ,, 10 ,, 4 ,, 3 ,,
45	247	249	Assyrian Corporals ...	1,77,840 0 0	1,76,040 0 0	—	1,800 0 0			243 ,, 1 ,, 6 ,, 3 ,,
45-A	169	53	Other Native Corporals	97,575 0 0	26,500 0 0	—	71,075 0 0			53 ,, 10 months.
46	92	92	Assyrian Lance-Corporals	55,200 0 0	53,400 0 0	—	1,800 0 0			88 ,, 1 year, 4 for 3 months
46-A	76	28	Other Native Lance-Corporals	33,000 0 0	9,800 0 0	—	23,200 0 0			28 ,, 10 months.
47	2485	2569	Assyrian Privates ...	12,48,800 0 0	11,65,440 0 0	—	83,360 0 0			2,381 for 1 year, 188 for 3 months.
47-A	1421	363	Other Native Privates	5,33,568 5 4	1,08,900 0 0	—	4,24,668 5 4			363 for 10 months.
48	75	42	Tradesmen's Extra Duty Pay	6,604 0 0	4,032 0 0	—	2,572 0 0			
48-A	—	—	Proficiency Pay ...	1,00,000 0 0	40,000 0 0	—	60,000 0 0			
49	8	5	School Masters ...	5,760 0 0	3,480 0 0	—	2,280 0 0			4 for 1 year, 1 for 10 months.
50	5	5	Clerks Grade I ...	19,200 0 0	19,200 0 0	—	—			
51	16	14	Clerks Grade II ...	46,080 0 0	38,465 0 0	—	7,615 0 0			12 for 1 year, 1 for 10 months, 1 for 3 months.
52	46	41	Clerks Grade III ...	93,840 0 0	82,060 0 0	—	11,780 0 0			35 ,, 1 ,, 3 ,, 10 ,, 1 ,, 3 ,, 2 for 2 months.
53	36	28	Clerks Grade IV ...	60,480 0 0	43,680 0 0	—	16,800 0 0			23 for 1 year, 3 for 10 months.
53-A	1	1	Translator	1,680 0 0	2,280 0 0	600 0 0	—			2 ,, 3 ,,
54	59	37	Cooks	28,320 0 0	16,160 0 0	—	12,160 0 0			29 for 1 year, 8 for 7 months.
55	57	41	Sweepers	32,160 0 0	18,280 0 0	—	13,880 0 0			34 ,, 1 ,, 7 ,, 7 ,,
56	22	15	Punkah Boys	3,300 0 0	2,250 0 0	—	1,050 0 0			5 months.
57	2	4	Lorry Drivers ...	2,400 0 0	4,800 0 0	2,400 0 0	—			
			Total to Summary	42,83,255 7 7	30,24,158 0 10	56,870 7 7	13,15,967 13 9	13,51,317 0 0 / 1,99,382 0 0	19,69,811 0 0	

* Included in the Clerical, etc., Pay figure of Rs. 1,99,382/-

Item.	Numbers. 1926-1927.	Numbers. 1927-1928.	Service.	Provision. 1926-27. Rs.	Provision. 1927-28. Rs.	Difference + Rs.	Difference − Rs.	Expenditure to 30th September, 1926. Rs.	Explanation or Remarks
			Brought forward	42,83,255 7 7	30,24,158 0 10	56,870 7 0	13,15,967 13 9	19,69,811 0 0	
58	7	8	Ford and Ambulance Drivers	8,400 0 0	9,600 0 0	1,200 0 0	---		Included in Clerical, etc., Pay
58-A	5	5	Carpenter, Wheelwright, Saddler, Electrician ...	7,080 0 0	7,080 0 0	—	—		
59	2	2	Tindal and Coolie ...	2,520 0 0	2,760 0 0	240 0 0	—		
60	101	88	Ration Allowance— Clerks	55,206 11 0	42,465 0 0	—	12,741 11 0		Included in Rations. 75 for 1 year, 7 for 10 months, 4 for 3 months, 2 for 2 months.
61	1	1	Indian Dresser ...	1,800 0 0	1,800 0 0	—	—		
61-A	—	6	Washerwomen ...	—	3,240 0 0	3,240 0 0	—		Included in Clerical, etc., Pay.
61-B	—	12	E.D. Pay—Veterinary Dressers	—	720 0 0	720 0 0	—		
62	—	—	Travelling Allowance...	20,000 0 0	15,000 0 0	—	5,000 0 0	8,347 0 0	
63	—	—	Compensation ...	13,000 0 0	10,000 0 0	—	3,000 0 0	9,570 0 0	
64	—	—	Re-engagement Bounties	60,000 0 0	40,000 0 0	—	20,000 0 0	70,381 0 0	
65	—	—	Stationery	15,000 0 0	10,000 0 0	—	5,000 0 0	2,687 0 0	
66	8	8	Followers—Medical ...	3,840 0 0	3,840 0 0	—	—		Included in Clerical, etc., Pay.
67	—	—	Postage and Telegrams	12,000 0 0	10,000 0 0	—	2,000 0 0	3,918 0 0	
68	1	1	Table Allowance ...	2,440 0 0	2,440 0 0	—	—		Included in Officers' Pay.
69	—	—	Pension Contribution...	84,746 10 8	79,560 0 0	—	5,186 10 8	25,608 0 0	
70	—	—	Rations	18,11,284 0 0	8,69,910 0 0	—	9,41,374 0 0	7,92,307 0 0	
71	—	—	Medical Services ...	75,900 0 0	39,396 0 0	—	36,504 0 0	26,123 0 0	
72	—	—	Veterinary Services ...	37,387 0 0	14,381 4 0	—	23,005 12 0	16,270 0 0	
73	—	—	Rents	65,320 0 0	56,500 0 0	—	8,820 0 0	29,098 0 0	
74	—	—	Furniture	2,000 0 0	2,000 0 0	—	—		Included in Equipment.
75	—	—	Training Grant ...	8,000 0 0	6,000 0 0	—	2,000 0 0	3,116 0 0	
76	—	—	Clothing and Necessaries	2,90,000 0 0	64,200 0 0	—	2,25,800 0 0	1,64,892 0 0	
77	—	—	Arms and Ammunition	3,00,000 0 0	1,40,000 0 0	—	1,60,000 0 0	12,680 0 0	
78	—	—	Equipment and Saddlery	3,38,000 0 0	1,85,000 0 0	—	1,53,000 0 0	88,926 0 0	
79	—	—	Remounts	1,07,000 0 0	—	—	1,07,000 0 0	23,833 0 0	
80	—	—	Ocean Passages ...	73,050 0 0	40,000 0 0	—	33,050 0 0	20,426 0 0	
81	—	—	Mechanical Transport	62,800 0 0	45,000 0 0	—	17,800 0 0	31,284 0 0	
82	—	—	Transport General ...	1,50,000 0 0	70,000 0 0	—	80,000 0 0	51,709 0 0	
83	—	—	Fuel	1,16,636 0 0	75,000 0 0	—	41,636 0 0	17,349 0 0	
84	—	—	Works and Maintenance	2,20,000 0 0	73,090 0 0	—	1,46,910 0 0	1,39,328 0 0	
85	—	—	Contingencies and Contingent Allowance ...	0 13 5	6,859 11 2	6,858 13 9	—	8,678 0 0	Includes Contingent Allowance : Rs. 5,860/- 3 Battns. 1 year, 1 Regt. 7 months, 1 Depot 1 year.
			Total to Summary	82,26,666 10 8	49,50,000 0 0	69,129 4 9	33,45,795 15 5	35,16,341 0 0	

Rs. 49,50,000 at 1s. 6d. = £371,250. £7,000 added for gratuities to Non-regular British Officers and other ranks—*see* Correspondence, No. 27. Total provided £378,400.

Vote.	*Head.*	*Estimate.*	*Explanation.*	*Rs.*
70	Rations	Rs 8,69,910 0 0	2,915 Native Ranks @ average of Rs. 15 p.m. for 11 months ... =	4,80,975
			495 ,, ,, 7 ,, ... =	51,975
			730 Animals @ average of Rs. 22/8/- p.m. for 12 months ... =	1,97,100
			582 ,, ,, 10 ,, ... =	1,30,950
			132 ,, ,, 3 ,, ... =	8,910
				8,69,910
			Estimate is based on average cost of rations during period 1.7.26—31.3.27.	
73	Rents	Rs. 56,500 0 0	Annual rents at :— *Rs.*	
			Amadia 50	
			Sulaimania Billets 6,540	
			Mosul Billets 19,280	
			Mosul Land 2,630	
			Kirkuk Land 184	
			Arbil Land 206	
			Rent allowances :—	
			12 B.O.Rs. @ Rs. 45 p.m. ... 6,480	
			15 Indian Clerks @ Rs. 35 p.m. 6,300	
			50 ,, ,, 25 p.m. 15,000	
			56,670 Say Rs. 56,500.	
82	Transport General..	Rs. 70,000 0 0	No provision is made for extensive operations or abnormal movements	

Vote.	*Head.*	*Estimate.*	*Explanation.*	*Rs.*	*Rs.*
84	Works and Maintenance	Rs. 73,090 0 0	1. *Water and Electricity*:—		
			(a) Mosul water	5,700	
			(b) Mosul electric current	12,000	
			(c) Kirkuk ,, ,, ...	3,000	
				...	20,700
			2. *Maintenance of electrical plant and water fittings*:—		
			(a) Mosul	4,000	
			(b) Kirkuk	1,000	
				...	5,000
			3. *Telephones*:—		
			(a) Mosul	5,390	
			(b) Kirkuk	300	
				...	5,690
			4. Maintenance of existing buildings and camps	23,000	23,000
			5 *Improvements to existing buildings*:—		
			(a) Mosul :—		
			1. Renew roof of verandah at Tank Hill Officers' Mess ..	1,000	
			2. Partitions in dependants' quarters	8,000	
			(b) Chemchemal :—		
			1. Renew roofing of Officers' Mess, Officers' Quarters, Offices, &c	1,000	
			(c) Sulaimania :—		
			1. Extension to Q.M. Store ...	700	
			(d) Kaniwatman :—		
			1. Further repairs to Mess and Fort: Renew flooring and further repairs to roof ...	5,000	
				...	15,700
			6. *New construction*:—		
			New Hospital, Kaniwatman	3,000	3,000
					... Rs. 73,090

Appendix II.

Medical Services—Budget for 1927-1928.

		Rs.
1.	Medical Equipment	1,200
2.	Clothing and Necessaries	5,796
3.	Cleaning Materials and Miscellaneous	100
4.	Drugs and Dressings, Surgical Instrument and Technical Equipment	5,000
5.	Medical Comforts and Diets	6,000
6.	General Equipment	2,000
7.	Treatment of Levy Personnel in Civil and R.A.F. Hospitals ...	10,000
8.	Sanitary Supplies	5,000
9.	Extra Duty Pay for Medical Orderlies	3,300
10.	Civil Surgeons' Allowance	1,000
	Total	Rs. 39,396

Appendix III.

Veterinary Services—Budget for 1927-1928.

	Original Estimate for 1926-1927.	*Estimates for* 1927-1928.	*Remarks.*
Personnel Vote No. 1.			
Three Veterinary Assistants' Pay	14,400 0 0	5,600 0 0	@ Rs. 200/- per mensem.
Ration Allowance	3,960 0 0	1,530 0 0	@@ Rs. 55/- per mensem.
House Allowance	2,520 0 0	970 0 0	@@ Rs. 35/- per mensem.
Uniform Allowance	387 0 0	161 0 0	@@ Rs. 16/2/0 quarterly.
Clerk's Pay	1,920 0 0	1,920 0 0	@@ Rs. 160/- per mensem.
Ration Allowance	600 0 0	600 0 0	@@ Rs. 50/- per mensem.
House Allowance	300 0 0	300 0 0	@@ Rs. 25/- per mensem.
Store Keeper's Allowance	300 0 0	300 0 0	@ Rs. 25/- per mensem.
Vote 2.			
Veterinary Drugs	7,000 0 0	3,000 0 0	
Fuel	6,000 0 0	*	* Included in Item 83.
Total	37,387 0 0	14,381 4 0	

Appendix IV.

Budget Estimates 1927-1928—*Vote Head* 75 " *Training Grant.*"

			Rs.
1.	Training Manuals and Printing		800
2.	Squadron and Company Marches		1,000
3.	Rifle Ranges (New Ranges and Upkeep of Old)		1,500
4.	Purchase of Material for construction of Targets		800
5.	Bayonet Assault Courses (New Courses and Upkeep of Old)		600
6.	12,000 Decimal Targets for 30x Range		
	25,000 1st Class Figure Targets 500/30 yds.		250
	12,000 No. 22 Large Targets 500/30 yds.		
7.	500 Rolls of Target Paper		300
8.	Recreational Training		500
9.	Miscellaneous Requirements		250
		Total ... Rs.	6,000

Appendix V.

Budget 1927-1928.

Pension Contribution.

		£
46 British Officers @ £100	=	4,600
3 Medical Officers @ £109	=	327
2 W.O. Class I. @ £70	=	140
25 Other Ranks @ £36	=	900
Total ...		£5,967
	=	Rs. 79,560 0 0

Sub-head H.—Trans-Jordan Frontier Force.

(See Correspondence, Nos. 32-58.)

Details of Expenditure.	*Approved Estimates* 1926-1927.	*Estimates* 1927 (1st *April to* 31st *December*).	*Increase.*	*Decrease.*	*Remarks.*
	£E.	£E.	£E.	£E.	
XXI.—*Trans-Jordan Frontier Force.*					
(A) *Personal Emoluments.*					
British Ranks.					
1. Lieutenant-Colonel at £E.1,150 p.a. . ..	1,150	862	—	288	
2. Duty Allowance at £E.100 p.a.	100	75	—	25	
3. Major (Second-in-Command) at £E.900 p.a. ...	900	675	—	225	
4. Duty Allowance at £E.50 p.a.	50	38	—	12	
5. Adjutant £E.600-50-700	600	450	—	150	
6. Duty Allowance at £E.50 p.a.	50	38	—	12	
7. 4 Majors (Company Commanders) £E.700-50-800	2,800	2,100	—	700	
8. Duty Allowances at £E.50 p.a.	200	150	—	50	
9. Major (Senior Medical Officer) £E.700-50-800	700	—	—	—	
10. Captain (Senior Medical Officer) £E.600-50-700	—	450	—	250	10. Colonial Office despatch No. 1100 of 19th August, 1926.*
11. Duty Allowance at £E.50 p.a.	50	38	—	12	
12. Captain (Senior Veterinary Officer) £E.600-50-700	600	450	—	150	
13. Duty Allowance at £E.50 p.a.	50	33	—	12	
14. 4 Captains (Second-in-Command of Companies) £E.600-50-700	2,400	1,800	—	600	
15. Hotchkiss Gun Officer ... £E.600-50-700	600	—	—	—	
16. Hotchkiss Gun Officer ... £E.450-50-550	—	338	—	262	16. Colonial Office despatch No. 49 of 10th January, 1927.†
17. Duty Allowance at £E.50 p.a.	—	38	38	—	
18. Signalling Officer £E.450-50-550	450	338	—	112	
19. Duty Allowance at £E.50 p.a.	50	38	—	12	
20. Quartermaster £E.450-50-550	450	338	—	112	
21. Duty Allowance at £E.50 p.a	50	38	—	12	
Carried forward	11,250	8,292	38	2,996	

* 28074 Middle East: not printed.

† C. 19136/26: not printed.

Details of Expenditure.	*Approved Estimates* 1926-1927.	*Estimates* 1927 (1st *April to* 31st *December*).	*Increase.*	*Decrease.*	*Remarks.*
	£E.	£E.	£E.	£E.	
Brought forward	11,250	8,292	38	2,996	
22. Paymaster £E.450-50-550	450	338	—	112	
23. Duty Allowance at £E.50 p.a.	50	38	—	12	
24. 13 Warrant Officers ... £E.290-10-340	3,770	2,922	—	848	
25. Expatriation Allowances at £E.50 p.a.	650	488	—	162	
26. 1 Farrier Sergeant ... £E.240-10-280	240	188	—	52	
27. Expatriation Allowance at £E.50 p.a.	50	38	—	12	
28. 1 Medical Sergeant ... £E.240-10-280	240	188	—	52	
29. Expatriation Allowance at £E.50 p.a.	50	38	—	12	
30. 1 Saddler Sergeant ... £E.240-10-280	—	180	180	—	30. New appointment.
31. Expatriation Allowance at £E.50 p.a.	—	38	38	—	
32. 2 Clerks, Grade II ... £E.240-10-280	480	—	—	—	
33. 1 Clerk, Grade II ... £E.240-10-280	—	188	—	292	33. Decrease of one See Item 44.
34. Expatriation Allowance at £E.50 p.a.	50	38	—	12	
Local Ranks.					
35. 19 Local Officers:— 1 Class I £E.300-20-400 ... ... 6 Class II at £E.264 p.a. ... ... 12 Class III at £E.216 p.a.	4,516	3,372	—	1,144	
36. 2 Medical Officers... ... £E.400-25-500	800	619	—	181	
37. 2 Veterinary Officers ... £E.300-20-400	600	465	—	135	
Carried forward	23,196	17,430	256	6,022	

Details of Expenditure.	*Approved Estimates* 1926-1927.	*Estimates* 1927 (1st *April to* 31st *December*).	*Increase.*	*Decrease.*	*Remarks.*
	£E.	£E.	£E.	£E.	
Brought forward	23,196	17,430	256	6,022	
38. 22 Sergeants at £E.10 p.m.	2,640	1,980	—	660	
39. 30 Corporals at £E.8 p.m.	2,880	2,160	—	720	
40. 675 Privates at £E.6 p.m.	48,600	36,450	—	12,150	
41. Proficiency Pay	3,050	2,250	—	800	
42. Artificers' Pay	400	300	—	100	
43. Good Conduct Pay	1,000	375	—	625	43. Payable under regulations.
44. 1 Clerk, Grade II £E.240-10-280	—	188	188	—	44. Increase of one. See Item 33.
45. 2 Clerks, Grade III ... £E.192-6-240	384	297	—	87	
46. 14 Sanitary Men at £E.4,500 p.m.	756	567	—	189	
Total Personal Emoluments	82,906	61,997	444	21,353	

(B) *Other Charges.*

47. Pension Contributions and Gratuities	1,000	750	—	250	
48. Cost of Living Allowances	1,800	1,253	—	547	48. Sufficient.
49. Officers' Outfit Allowances	340	40	—	300	49. Do.
50. Animal Allowances	4,600	3,450	—	1,150	
51. Transport and Travelling...	2,500	3,500	1,000	—	51. Necessary.
52. Railway Fares and Freight	6,000	5,500	—	500	
53. Passages	200	100	—	100	53. Sufficient.
54. Maintenance of Mechanical Transport	900	900	—	—	54. Increase required for additional ton truck.
55. Arms, Equipment, Uniforms and Clothing ...	10,000	8,100	—	1,900	
Carried forward	27,340	23,593	1,000	4,747	

Details of Expenditure.	*Approved Estimates* 1926-1927.	*Estimates* 1927 (1st *April to* 31st *December*).	*Increase*	*Decrease.*	*Remarks.*
	£E.	£E.	£E.	£E.	
Brought forward	27,340	23,593	1,000	4,747	
56. Ammunition	1,000	3,500	2,500	—	56. Necessary.
57. Harness and Saddlery	1,000	1,600	600	—	57. Do.
58. Horse Shoes and Stable Requisites	1,000	2,000	1,000	—	58. Increased provision for picketting gear, etc.
59. Forage	19,500	20,625	1,125	—	59. Due to increase in the cost of forage.
60. Camp Equipment	500	375	—	125	
61. Fuel and Light	2,000	1,000	—	1,000	61. Sufficient.
62. Furniture and Barrack Stores	650	600	—	50	
63. Stationery and Printing	250	190	—	60	
64. Miscellaneous Stores	750	560	—	190	
65. Maintenance of Signalling and Wireless Apparatus	—	920	920	—	65. For maintenance of apparatus and equipment of field telephones, five wireless stations and visual signalling.
66. Medical Services	1,500	700	—	800	66. Sufficient.
67. Veterinary Services	300	75	—	225	67. Do.
68. Rent of Camps, Quarters and Training Area ...	3,000	500	—	2,500	68. Do.
69. Current Repairs and Maintenance of Buildings and Camps	2,300	1,630	—	670	
70. Water Supply and Conservancy	2,200	2,000	—	200	
71. Compensation for Loss of Animals	1,000	750	—	250	
72. Crown Agents' Expenses	150	250	100	—	72. Under-estimated in 1926-27.
73. Typewriters	100	125	25	—	73. For one typewriter for each Company.
74. Telegrams, Telephones and Postage	300	225	—	75	
75. Contingencies	100	75	—	25	
Special Expenditure					
76. Medical Drugs and Dressings	1,000	—	—	1,000	
Carried forward	65,940	61,293	7,270	11,917	

500

Details of Expenditure.	Approved Estimates 1926-1927.	Estimates 1927 (1st April to 31st December).	Increase.	Decrease.	Remarks.
	£E.	£E.	£E.	£E.	
Brought forward ...	65,940	61,293	7,270	11,917	
77. Veterinary Drugs and Dressings ...	300	—	—	300	
78. Arms, Equipment, Uniforms and Clothing ...	7,700	—	—	7,700	
79. Ammunition	1,880	—	—	1,880	
80. Harness and Saddlery	9,250	—	—	9,250	
81. Horse Shoes and Stable Requisites ...	630	—	—	630	
82. Camp Equipment	1,527	—	—	1,527	
83. Hotchkiss Guns	3,220	—	—	3,220	
84. Wireless Pack Sets and Apparatus ...	2,120	—	—	2,120	
85. Miscellaneous Stores	250	1,050	800	—	85. Includes provision for initial supplies of sand-fly nets, barrack boxes and fire extinguishers.
86. Pack Animals	700	200	—	500	
87. Tents	800	3,100	2,300	—	87. For temporary accommodation pending erection of barracks.
88. Mechanical Transport	—	200	200	—	88. For one-ton truck.
89. Construction and Maintenance of Rifle Ranges ...	—	1,000	1,000	—	89. For new camp areas.
90. Construction of Jumping Courses and Riding Schools	—	200	200	—	90. Do.
91. Wireless and Signalling Apparatus ...	—	350	350	—	91. For spare receivers, transmitters, hand generators and electric sets
Total Other Charges ...	94,317	67,393	12,120	39,044	
Total Trans-Jordan Frontier Force ...	177,223	129,390	12,564	60,397	Net Decrease £E.47,833.

	Original Estimate.	Estimated Expenditure to 31st March, 1927.	Estimates, 1927. 1st April to 31st December.	
Add from Head XXVIII Public Works Extraordinary				
117. Construction of Barracks, Ma'an	28,900	4,500	24,400	117. Approved by Secretary of State. See Estimates, 1926-27.
118. Construction of Permanent Headquarters at Amman	25,000	—	25,000	118. To erect permanent Headquarters, including Pay and Quartermaster's Offices and Stores.
	53,900	4,500	49,400	

5. Sub-head J.—Trans-Jordan Administration.

(*See Correspondence, Nos.* 32-58.)

TRANS-JORDAN.

SUMMARY OF ESTIMATES OF REVENUE, 1927-28.

	Head.	Amount. £
I.	Customs and Excise	59,540
II.	Licences and Taxes	132,900
III.	Fees of Court or Office, Receipts for Specific Services and Reimbursements	20,620
IV.	Posts, Telegraphs and Telephones	7,230
V.	Revenue from Government Property	5,400
VI.	Interest	1,500
VII.	Miscellaneous	500
VIII.	Sale of State Domains	300
IX.	Grant-in-Aid	68.000*
		£295,990

* Provision of £62,000 made, *vide* Correspondence, No. 53.

SUMMARY OF ESTIMATES OF EXPENDITURE 1927-28.

	Head.	Amount. £
I.	Civil List	16,220
II.	Debts	—
III.	Legislature	2,113
IV.	Pensions	1,900
V.	Chief Minister	4,968
VI.	District Administration	7,267
VII.	Legal Department	15,912
VIII.	Shari'a Courts	3,590
IX.	Finance Minister	19,231
X.	Customs and Excise	5,737
XI.	Public Health	10,127
XIA.	Ma'an Quarantine Station	750
XII.	Education	21,619
XIII.	Agriculture, Forests and Veterinary	5,671
XIV.	Antiquities	5,937
XV.	Land Registry	3,613
XVI.	Public Works Department	3,806
XVIA.	Do do.	15,800
XVIB.	Do. do.	9,700
XVII.	Printing Press (see Education)	—
XVIII.	Posts and Telegraphs	10,614
XVIIIA.	Do. do.	2,600
XIX.	Land Demarcation	2.000
XX.	Police and Prisons	104,457
XXI.	Miscellaneous	7,578
XXII.	Chief British Representative	6.990
XXIIA.	Do do.	5,790
XXIII.	Audit	2,000
	Total	£295,990

6. Sub-head L.—Aden.

SUMMARY OF PROVISION

	£	£
MILITARY EXPENDITURE		350,000*
AIR FORCE EXPENDITURE		110,000
POLITICAL EXPENDITURE :—		
Head 29.	£	
Pay of Officers	12,400	
Pay of Establishment	10,500	
Allowances, Honoraria, etc.	2,700	
Supplies and Services	1,800	
Contingencies	3,400	
Grants-in-Aid	1,900	
Entertainment Charges	5,600	
	38,300	
Deduct—Contributions from Aden Settlement and Port Trust	700	
		37,600
Head 44.		
Territorial and Political Pensions of		
Yemen Stipendiaries	4,600	
Pensions to Heads of Tribes	1,200	
		5,800
Head 47.		
Durbar Presents and Allowances to		
Vakils	5,300	
		48,700
		508,700
Amount provided ...		£509,000

* Amount provided in War Office Votes is £450,000. Treasury, however, reduced provision in Middle Eastern Services Vote to £350,000, *vide* Correspondence, No. 66.

STATEMENT SHOWING THE ESTIMATED REVENUE AND EXPENDITURE OF ADEN FOR THE YEARS 1926-1927 AND 1927-1928, AND ALLOCATION THEREOF AS BETWEEN "CIVIL" (NOT BORNE BY H.M G.) AND "POLITICAL" (BORNE BY H.M G.), AS PROPOSED BY RESIDENT. (*See Correspondence, Nos. 73 and 74.*)

No.	*Names of Offices.*	*Estimated Revenue. Per annum.* 1926-27. *Rs.*	1927-28. *Rs.*	*Estimated Expenditure. Per annum.* 1926-27. *Rs.*	1927-28. *Rs.*	*Category.* **A.* *Rs.*	†*B.* *Rs.*	*Remarks.*
	29—*Political.*							
	Political Agents.							
1	Pay of Resident	—	—	18,000	18,000	9,000	9,000	The full pay of the Resident is Rs. 3,000, half of which is borne by the Military and half by the Civil Department.
2	,, First Assistant Resident	—	—	24,000	24,000	8,000	16,000	Roughly the work performed by the First Assistant Resident is $\frac{1}{3}$ Civil and $\frac{2}{3}$ Political.
3	,, Second Assistant Resident ...	—	—	15,000	15,000	11,250	3,750	This is worked on the basis of $\frac{3}{4}$ Civil and $\frac{1}{4}$ Political.
4	,, Third Assistant Resident	—	—	10,800	10,800	10,800	—	Wholly Civil.
5	,, ‡Judicial Assistant	—	—	24,000	24,000	24,000	—	Wholly Civil.
6	,, Registrar of Court	—	—	5,400	5,400	5,400	—	Wholly Civil.
7	,, A D.C. to Resident	—	—	8,760	8,760	4,380	4,380	Half and half on the same basis as the Resident's pay

* Internal Civil Administration
† Protectorate or Political
} *Vide* Colonial Office telegram dated 17th March, 1927. (Correspondence, No. 73.)

‡ Not yet appointed. Pay is taken roughly at Rs. 2,000/-.

No.	Names of Offices.	Estimated Revenue. Per annum. 1926-27. Rs.	Estimated Revenue. Per annum. 1927-28. Rs.	Estimated Expenditure. Per annum. 1926-27. Rs.	Estimated Expenditure. Per annum. 1927-28. Rs.	Category. *A. Rs.	Category. †B. Rs.	Remarks.
8	Pay of Assistant Resident, Perim	—	—	2,400	2,400	1,200	1,200	This is a Military Officer in charge of the Detachment of troops at Perim and draws his pay from the Military and Rs. 200 from Civil Department as Assistant Resident, Perim.
9	,, Chairman, Port Trust and Aden Settlement	—	—	8,520	8,520	8,520	—	This represents one-third of his pay borne by Government. Two-thirds are borne by Aden Port Trust and Aden Settlement.
10	,, Civil Surgeon	—	—	24,000	24,000	24,000	—	Wholly Civil.
	Establishment of the Residency and Treasury Offices.							
11	Pay of Superintendent, Residency Office ...	—	—	7,200	7,200	5,400	1,800	¾ Civil and ¼ Political.
12	Pay of Arabic and Confidential Branches of the Residency Office	—	—	10,446	10,566	—	10,566	Wholly Political.
13	Pay of Clerks, Residency and Treasury Offices	11,500	11,500	41,228	46,344	46,344	—	Wholly Civil.
14	Fixed Conveyance Allowance to Officers ...	—	—	3,600	3,600	3,600	—	Wholly Civil.
15	Passage Concession to Political Officers ...	—	—	7,000	7,000	7,000	—	Wholly Civil.

* Internal Civil Administration
† Protectorate or Political
} *Vide* Colonial Office telegram dated 17th March, 1927. (Correspondence, No. 73)

No	Names of Offices.	Estimated Revenue 1926-27. Rs.	Estimated Revenue 1927-28 Rs.	Estimated Expenditure. Per annum. 1926-27. Rs.	Estimated Expenditure. Per annum. 1927-28. Rs.	Category. *A. Rs.	Category. †B. Rs	Remarks.
16	Travelling Allowance to Political Officers and Sumptuary Allowance to Resident ...	—	—	11,000	11,000	3,000	8,000	Sumptuary Allowance ½ Civil and ½ Political. Rest wholly Political.
17	Travelling Allowance to Residency and Treasury Establishments	—	—	2,500	2,500	2,500	—	Wholly Civil.
18	Passage Concessions to Clerks of Residency, Treasury, School and Court Establishments	—	—	7,000	9,000	9,000	—	Wholly Civil.
19	House Rent to Superintendent, Residency Office	—	—	360	360	270	90	¾ Civil and ¼ Political.
20	House Rent to Confidential Clerk, Residency Office	—	—	540	540	—	540	Wholly Political.
21	Entertainment Charges	—	—	75,000	75,000	—	75,000	Wholly Political
22	Contingencies, Residency and Treasury Offices	—	—	28,197	28,729	28,729	—	Wholly Civil
23	Secret Service	—	—	2,500	2,500	—	2,500	Wholly Political.
24	Court of the Resident	60,321	57,082	19,739	22,980	22,980	—	Wholly Civil
25	Educational Department	§12,500	§12,857	79,340	67,072	67,072	—	Wholly Civil.
26	Trade Registration Department	10,000	10,000	12,870	13,050	13,050	—	Wholly Civil.
27	Civil Hospital	690	500	47,663	48,142	48,142	—	Wholly Civil.
	47—*Miscellaneous*							
28	Durbar Presents	—	—	70,036	70,036	—	70,036	Wholly Political.
	44—*Territorial and Political Pensions.*							
29	Political Pensions and Stipends	—	—	86,000	86,000	—	86,000	Wholly Political.

* Internal Civil Administration
† Protectorate or Political
} *Vide* Colonial Office telegram dated 17th March, 1927. (Correspondence, No. 73.)
§ Including contribution from the Aden Port Trust and Settlement of Rs. 10,000.

No.	Names of Offices.	Estimated Revenue. 1926-27. Rs.	Estimated Revenue. 1927-28 Rs.	Estimated Expenditure. Per annum. 1926-27. Rs.	Estimated Expenditure. Per annum. 1927-28. Rs.	Category *A. Rs.	Category †B. Rs.	Remarks.
	7—Excise.							
30	Abkari Department	2,49,083	2,37,000	2,22,419	22,525	22,525	—	Wholly Civil
	3—Salt.							
31	Salt Department	62,863	63,480	2,738	2,738	2,738	—	Wholly Civil.
	32—Medical.							
32	Civil Administrative Medical Office ...	—	—	1,536	1,703	1,703	—	Wholly Civil.
33	European General Hospital	12,502	16,273	44,721	51,453	51,453	—	Wholly Civil.
34	Port Health Department	—	4,000	35,343	36,043	36,043	—	Wholly Civil.
	27—Ports and Pilotage							
35	Shipping Office	5,000	6,000	7,384	7,738	7,738	—	Wholly Civil.
	27—Taxes on Income.							
36	Income Tax Office	3,29,639	23,000	11,882	14,102	14,102	—	Wholly Civil. The National Bank and other large firms pay their tax in India and consequently the revenue figure does not represent the correct total.
	26—Police.							
37	Aden Police Force	62,138	62,127	2,16.911	2,18,951	2,18,951	—	Wholly Civil.
	24—Jail.							
38	Jail Department	9,362	8,862	22,462	24,962	24,962	—	Wholly Civil.

* Internal Civil Administration
† Protectorate or Political

Vide Colonial Office telegram dated 17th March, 1927. (Correspondence. No. 73.)

No.	Names of Offices	Estimated Revenue 1926-27. Rs.	Estimated Revenue 1927-28. Rs.	Estimated Expenditure. Per annum. 1926-27. Rs.	Estimated Expenditure. Per annum. 1927-28. Rs.	Category. *A. Rs.	Category. †B. Rs.	Remarks.
39	District Registrar's Office	5,404	4,506	2,009	1,962	1,962	—	Wholly Civil.
	41—Provincial.							
40	Public Works (Civil Buildings)	22,000	8,000	1,13,539	1,72,805	1,72,805	—	Wholly Civil.
41	Aden Railway	1,40,000	1,48,000	2,34,000	2,37,000	2,37,000	—	The Aden Railway is directly under the control of the Railway Board of the Government of India.
	Postal.							
42	Postal Department	—	—	—	—	—	—	The Postal Department is under the direct control of the Postmaster-General, Bombay.
43	Ecclesiastical	—	—	25,100	25,100	25,100	—	The Ecclesiastical is under the Bishop of Bombay.
	Local Funds							
44	Aden Settlement Fund	8,33,642	8,64,180	8,33,642	8,64,180	8,64,180	—	The Aden Settlement carries on the functions of a municipality under the control of the Resident and Government.
45	Aden Port Trust	10,73,863	9,72,833	12,88,854	10,17,570	10,17,570	—	The Aden Port Trust is a semi-Government Body administered by Government through a Board of Trustees.
	Total	29,00,509	27.17,200	35.15,639	33.51.331	30.62.469	2.88,862	

* Internal Civil Administration
† Protectorate or Political

Vide Colonial Office telegram dated 17th March, 1927. (Correspondence, No. 73)

STATEMENT SHOWING THE ESTIMATED REVENUE AND EXPENDITURE OF THE UNDERMENTIONED OFFICES FOR THE YEARS 1926–27 AND 1927–28.

No.	Name of Offices.	Estimated Revenue.		Estimated Expenditure.		Category.			Remarks.
		1926-27.	1927-28.	1926-27.	1927-28.	A	B	C	
	29—POLITICAL.								
	Political Agents.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1	Pay of Resident	..	..	18,000	18,000	9,000	9,000	..	Half Civil and half Political.
2	First Assistant Resident ..					8,000	16,000	..	* Pay as actually drawn at present.
3	Second Assistant Resident ..	..	..	81,500	73,800*	11,250	3,750	..	First Assistant Resident ¼ Civil and ¾ Political, and Second Assistant Resident ¾ Civil and ¼ Political.
4	Third Assistant Resident ..					10,800	..	..	
5	Judicial Assistant					24,000	..	..	
	Reservist	..	..	24,800	25,682	18,842	6,840	..	Divided in proportion to totals of Assistant Residents.
6	Registrar of the Court	..	..	4,200	5,400	5,400	..	..	
7	A. D. C. to Resident	..	..	8,700	8,700	4,350	4,350	..	Half Civil and half Political.
8	Assistant Resident. Perim ..	..	..	2,400	3,600	1,800	1,800	..	Half Civil and half Political. Pay increased to Rs. 300 per mensem.
9	Chairman, Port Trust and Aden Settlement	..	..	3,501	3,900	3,900†	..	..	† ⅓ of Chairman's Salary Remaining ⅔ borne by Aden Port Trust and Aden Settlement.
10	Civil Surgeon and his fees ..	..	..	24,110	24,000	19,200	4,800	..	⅘ Civil and ⅕ Political.
	Deputy Educational Inspector ..	..	..	5,340	5,566	5,566	..	..	
	Passage Money	..	..	3,000	..	..	..	..	
	Leave Salary	..	..	1,470	1,555	1,140	415	..	Divided in proportion to totals of Assistant Residents.
	Head Master	..	..	..	4,800	4,800	..	..	
	Lady Doctor	..	..	..	4,320	4,320	..	..	
	Office Establishment.								
11	Pay of Superintendent	..	..	7,200	7 200	5,400	1,800	..	¾ Civil and ¼ Political.
12	Pay of Arabic and Confidential Branches.	..	..	49,553	36,472	25,906	10,566‡	..	‡ Pay of Arabic and Confidential Branches.
13	Pay of clerks Residency Office ..								
13-A	Treasury Office	..	..	..	13,260	12,882	378	..	§ 1/35 of cost of Treasury Establishment.
	Administration of Justice Establishment.	..	..	13,264	14,163	14,163	..	..	
	Educational Department ..	..	..	19,370	22,170	22,170	..	..	
	Trade Registration Establishment	..	..	10,593	10,593	10,593	..	..	
	Civil Hospital Establishment ..	..	..	14,340	10,692	10,692	..	..	
	Military Telephone Establishment	..	..	7,420	7,420	7,420	..	..	File No. 110-N. (2).
	Leave Salary	..	.	18,694	18,496	16,184	2,312	..	Roughly this is 8 Civil to 1 Political.
14	Fixed conveyance allowance to officers.	..	..	3,000	3,000	2,200	800	..	Divided in proportion to totals of Assistant Residents.
15	Travelling allowance to Political officers, and Sumptuary allowance to Resident.	..	..	11,000	11,000	6,667	4,333	..	Sumptuary allowance ⅓ Civil and ⅔ Political Travelling allowance divided in proportio to totals of Assistan Residents.
16	Travelling allowance to Residency and Treasury Establishments.	..	..	5,660	8,840	5,894	2,946	..	Divided in proportion to totals of Residency and Treasury Establishments including Superintendent and Arabic and Confidential Branches.
17	Passage concession to Residency and Treasury Establishments.	..	..	7,000	9,000	6,000	3,000	..	
18	House rent to Superintendent and Confidential Clerk.	..	..	3,600	3,600	2,970	630‖	..	‖ Whole of the rent of the confidential clerk and ¼ of the Superintendent.

STATEMENT SHOWING THE ESTIMATED REVENUE AND EXPENDITURE OF THE UNDERMENTIONED OFFICES FOR THE YEARS 1926–27 AND 1927–28—contd.

No	Name of Offices.	Estimated Revenue		Estimated Expenditure.		Category			Remarks.
		1926-27.	1927-28.	1926-27.	1927-28.	A.	B.	C.	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
19	Local Allowance	..	..	2,428	660	660	..	..	
20	Entertainment charges	..	..	75,000	75,000	..	75,000	..	
21	Contract contingencies	..	..	44,090	49,044	37,197	11,847	..	*Vide* details attached.
22	Secret Service	..	..	2,500	2,500	..	2,500	..	
23	Hospital charges	..	..	21,900	21,740	21,740	..	..	
24	Grant-in-aid to School	..	..	40,367	25,278	25,278	..	..	
				5,34,000	5,29,451	3,66,384	1,63,067		
				10,000	10,000*				*Deduct 10,000 rupees for each year on account of contributions from the Aden Settle- and Port Trust.

	Rs.	
In addition to the figure shown under B above, viz.:	1,63,067	
The following services are debitable to His Majesty's Government, viz.:—		
Head 47, Miscellaneous—		
Durbar presents	70,036	
Head 44, Territorial and Political Pensions—		
Political Pensions and Stipends	86,000	
Non-effective Charges	— †	† Non-effective Charges, the amount of which is not yet ascertainable.
TOTAL	3,19,103	
	approximately £24,000	

DETAILS OF CONTINGENT GRANT OF THE RESIDENCY AND TREASURY OFFICES.

——	1926-27.	1927-28.	To be debited to Political	Remarks.
	Rs.	Rs.	Rs.	
Residency Office..	5,000	5,000	625	At 8 Civil to 1 Political.
Treasury Office	2,000	2,000	57	At 1/35 half Civil and half Political.
Resident's Gig.	530	530	265	
Clothing	1,300	1,300	..	
Electricity, Residency	1,800	1,800	900	Do.
Conservancy charges	252	288	..	
State car	3,000	3,000	1,500	Do.
Rent of Sheikh Othman Court	356	852	..	
Telegram and Postage	12,020	12,020	8,000	Roughly.
Diets to Police patients	239	239	..	
Sanitary tax	1,500	1,500	500	Do.
TOTAL ..	27,997	28,529	11,847	

III.

CORRESPONDENCE.

	Nos.
Provisional Estimate	1—2
Sub-head A.—Defence	3—10
Sub-head B.—Boundary Commission	11—12
Sub-head C.—High Commissioner	13—18
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Provisional Estimate.

C.18538/26.

No. 1.

COLONIAL OFFICE to TREASURY.

[*Answered by Nos.* 2 *and* 3.]

SIR, Downing Street, 4th November, 1926.

I am directed by Mr. Secretary Amery to refer to Treasury Estimate Circular No. F. 9684 of 1st October, 1926,* and to transmit to you, for the information of the Lords Commissioners of the Treasury, the Estimate for Middle Eastern Services for the financial year 1927.

Their Lordships will observe that the total of this Estimate is £3,277,000, shewing a net decrease of £1.167,000 on the provision for the current financial year. I am, however, to say that this figure should be regarded as provisional pending the settlement of several outstanding questions to which reference is made below.

Sub-head A.—Defence, £2,519,000.

This figure is based on information received from the Air Ministry in a letter of 30th October, 1926,† a copy of which is enclosed, and is made up as follows:—

'Iraq:	Air Votes	£1,978,000
	Army ,, ...	35,000
	Indian Troops	206,000
		£2,219,000
Palestine:	Air Votes	£284,000
	Army ,, ...	16,000
		£300,000

The amounts included for Air Ministry expenditure include a sum of £21,500 representing the cost of the Air Ministry audit staff in 'Iraq and Palestine, which, subject to Their Lordships' concurrence, Mr. Amery is disposed to accept as a charge against the Middle Eastern Services Vote.

Sub-head B.—Boundary Commission, £3,000.

Reference is requested to Treasury letter No. S. 30505 of 30th October, 1926,‡ in which provisional sanction was given for the inclusion of the sum of £3,000 under this head.

* Not printed. † C. 20336/26: not printed. ‡ No. 12.

Sub-head C.—Salaries and Expenses of the Staff of the High Commissioner for 'Iraq, £25,500.

The provision inserted under this sub-head is provisional only, and is based on a telegram received from the High Commissioner for 'Iraq, a copy of which was forwarded to the Treasury in Colonial Office letter of 1st November, 1926.* The detailed proposals of the High Commissioner are being forwarded by mail and these will be submitted to Their Lordships as early as possible after receipt.

Sub-head D.—Contribution to 'Iraq Government to assist in the maintenance of the 'Iraq Army (Grant-in-Aid), £187,500.

The estimate of £187,500 includes provision for the subvention to the 'Iraq Government of Rs. 18 lakhs in respect of 1927 as sanctioned in Treasury letter No. S. 30391 of 28th October, 1926,† together with a further sum of Rs. 7 lakhs which is proposed as a grant to the 'Iraq Government in connection with the reorganization of the 'Iraq Army. I am to add that a separate letter is being addressed to Their Lordships in this connection in continuation of Colonial Office secret letter of 28th September, 1926.‡

Sub-head E.—Maintenance of Native Levies, £378,400.

Provision under this head is based on information received from the High Commissioner for 'Iraq in a telegram, a copy of which was forwarded in Colonial Office letter to Treasury of 1st November, 1926.* Sir H. Dobbs' proposals include the disbandment of the Pack Battery from 1st April. 1927, and the remaining Cavalry regiment from 1st October, 1927. Mr. Amery proposes to consult the Air Council on this point.

The cost of the force thus reduced is estimated at Rs. 49½ lakhs for the year 1927 and to the sterling equivalent of this figure (converted at the rate of 1s 6d. to the rupee) has been added a sum of £7,000 to cover payments which may be expected to fall due in next financial year in the circumstances explained in Colonial Office letter of 29th October, 1926.§ The detailed proposals for this force will be submitted to the Treasury in due course.

Sub-head F.—Native Levies, Disability Compensation, &c., £600.

Reference is requested to Treasury letter No. S. 30506/26 of 30th October, 1926,‖ in which sanction was given for a provision of £600 under this sub-head for 1927.

Sub-head G.—British Officials—Compensation, £2,000.

According to an estimate of the amount required under this sub-head for the year 1927, received by telegram from the High Commissioner for 'Iraq, a sum of Rs. 25,000 will cover expenditure likely to come in course of payment during the next financial year and a sum of £2,000 has been inserted accordingly. A copy of the telegram has been enclosed in Colonial Office letter to Treasury of 1st November, 1926.*

Sub-head H.—Trans-Jordan Frontier Force (Grant-in-Aid), £90,000.

Reference is requested to Colonial Office letter to Treasury of 2nd November,¶ enclosing a copy of a telegram from the High Commissioner for Palestine in which he estimates the expenditure on the Frontier Force in 1927 at £E.175,000. A sum of £90,000, representing a moiety of the cost for 1927, has accordingly been inserted as a provisional estimate, but this sum may be liable to modification in the circumstances explained in the Colonial Office letter indicated above.

Sub-head J.—Contribution to Trans-Jordan Administration (Grant-in-Aid), £70,000.

Reference is requested to Colonial Office letter to the Treasury of 2nd November, 1926,¶ enclosing a copy of a telegram from the High Commissioner for Palestine in which the requirement under this sub-head for 1927 is estimated at £E.68,000. Provision has accordingly been inserted for £70,000 pending the receipt of further detailed information from Palestine.

* No. 30. † No. 21. ‡ C. 18358/26: not printed. § C. 19637/26: not printed.
‖ No. 29. ¶ No. 35.

Arabia.

Sundry Political Expenditure, £1,000.

I am to invite reference to the letter from the Colonial Office of the 30th October, 1926,* in which sanction was sought for a provision of £1,000 under this sub-head, as follows :—

Political Mission at Hodeidah	£550
Appointment of Civil Administrator, Kamaran, as Political Officer, Southern Red Sea Coast, with Political Mission at Hodeidah under his control.	
(Travelling expenses)	£200
Unforeseen political services in Arabia	£250
	£1,000

Exchequer Extra Receipts.

The sum of £45,000 has been shewn in the Estimate as the total of the extra receipts payable to His Majesty's Exchequer in 1927. Their Lordships will observe that no provision has been made for the receipt of interest and sinking fund from the 'Iraq Government on account of transferred assets as payment for those assets has now been waived. Also, no provision has been made for His Majesty's Government's share of the profits on the working of the Kantara-Rafa Railway as, in view of the report of the expert who recently visited Palestine to enquire into the administration, &c., of the Palestinian Railways on behalf of the Secretary of State, the profits are at present indeterminable owing to no allowance for depreciation, &c., having been included in the accounts.

A reduction has been made on the amount which it is anticipated may be received in respect of " Sales of Equipment, &c., in connection with sub-head E " owing to the proposed reduction in the strength of the Native Levies in 1927.

I am, &c.,
J. E. SHUCKBURGH.

C. 49027/27. [No. 36].

No. 2.

TREASURY to COLONIAL OFFICE.

(F. 9811.)

SIR, Treasury Chambers, 28th February, 1927.

I am directed by the Lords Commissioners of His Majesty's Treasury to request you to inform the Secretary of State for the Colonies that They have approved at a total of £3,649,000 (three million, six hundred and forty-nine thousand pounds) gross, and £3,395,000 (three million, three hundred and ninety-five thousand pounds) nett, the Estimate for Middle Eastern Services submitted with the letter from your Department of the 4th November last.†

Provision under Sub-heads H and J has been made on the basis explained in Treasury letter of the 17th instant (S. 28724/2),‡ while the provision under Sub-head I. (Aden) is as stated in Treasury letter of the same date (F. 9811).§

An Appropriation-in-Aid Sub-head has been opened, to which will be carried receipts in respect of contributions from the Government of India and Miscellaneous receipts in connection with Sub-heads C and E.

I am, &c.,
RONALD McNEILL.

Sub-head A. Defence.

C. 49027/27. [No. 3].

No. 3.

TREASURY to COLONIAL OFFICE.

[*Answered by No.* 8.]

(F. 9811.)

SIR, Treasury Chambers, 18th January, 1927.

I have laid before the Lords Commissioners of His Majesty's Treasury Sir John Shuckburgh's letter of the 4th November,† transmitting the Estimate for Middle Eastern Services for the financial year 1927.

* No. 59. † No. 1. ‡ No. 47. § No. 66.

In reply I am to request you to inform Mr. Secretary Amery that as regards Sub-head A—Defence—My Lords, on the information before Them, desire to offer no observations on the provisional figure of £300,000 inserted in connection with Imperial Defence Services in Palestine. They note, however, that the provisional sum of £2,219,000 inserted for similar services in 'Iraq is based upon the reduced garrison contemplated at the time of the signature of the Turkish Treaty. At that time, despite the Treaty, the future relationship with Turkey was somewhat uncertain, and for that reason the forecast of the future size of the Imperial Garrison was no doubt made upon a cautious basis. So far, however, as Their Lordships can judge from the evidence available, the prospects of peaceful and friendly relations with the Turkish Government appear to be far more stable than could reasonably have been expected at the time of the Treaty, and accordingly They trust that it will now be possible to effect a further substantial diminution of the garrison, with a consequent reduction in the provision proposed for 1927, and progressive reductions thereafter.

In the event of the time before the closing of the Estimate proving insufficient for the formulation of concrete proposals in consultation with the Air Ministry and the 'Iraq Government, My Lords suggest that a lump sum reduction of (say) £300,000 should be made in anticipation of actual alterations, though They trust that it may be found possible to effect forthwith still larger savings than that amount as the result of discussion.

Other items mentioned in the letter under reply have been or will be dealt with separately.

I am, &c.,
R. S. MEIKLEJOHN.

C. 49027/27. [No. 5].

No. 4.

COLONIAL OFFICE to AIR MINISTRY.

[*Answered by Nos.* 5 *and* 9.]

SIR, Downing Street, 24th January, 1927.

I am directed by Mr. Secretary Amery to refer to Air Ministry letter of 30th October, 1926,* in which the Air Council forwarded a provisional estimate of the amount required to be provided under the " Defence " sub-head of the Vote for Middle Eastern Services, 1927. The sum of £2,219,000 was allocated to 'Iraq.

2. I am now to enclose a copy of a letter which has been received from the Lords Commissioners of the Treasury dated 18th January, 1927,† in which Their Lordships suggest that a reduction of at least £300,000 should be made on the provision for 'Iraq Defence.

3. Mr. Amery would be glad if the Council would be good enough to consider this suggestion and to favour him at a very early date with their views on the practicability or desirability of further reducing the 'Iraq Garrison and the method by which such a reduction in the provisional Estimate could be effected.

4. As the Council are aware, the provisional figure of £2,219,000 covered the cost of—

5 Air Squadrons,
3 Armoured Car Companies,
2 Indian Battalions,
1 Sapper and Miner Company and Auxiliary Services.

I am, &c.,
J. E. SHUCKBURGH.

C. 49027/27. [No. 9].

No. 5.

AIR MINISTRY to COLONIAL OFFICE.

SIR, Air Ministry, London, W.C.2, 26th January, 1927.

I am commanded by the Air Council to refer to Colonial Office letter of the 24th January‡ forwarding a copy of a letter from the Treasury enquiring whether the estimate for 'Iraq Defence in 1927-28 cannot be reduced by anticipating a further substantial diminution of the garrison.

* C. 20336/26 : not printed. † No. 3. ‡ No. 4.

In reply I am to acquaint you, for the information of the Secretary of State for the Colonies, that the estimate of £2,219,000 contained in Air Ministry letter of the 30th October* was based upon the reductions in operational units outlined in telegram No. 283 of the 16th June, 1926,† from the High Commissioner for 'Iraq, and upon a careful review of the whole field of Air Force expenditure in 'Iraq. In fact, only by anticipating very considerable reductions in the cost of ancillary services was it possible to effect so large a reduction from the estimate for 1926-27 as £894,000.

The suggestion contained in the Treasury letter is that in framing the proposed reductions sufficient regard may not have been had to the prospect of peaceful and friendly relations with the Turkish Government.

The Council are, however, convinced that a brief review of the circumstances in which the proposed reductions were decided upon will leave no doubt that the fullest possible regard was had to the probability that the settlement of the Northern Boundary of 'Iraq would lead to greatly improved relations with Turkey.

It will be recollected that the scheme of progressive reductions in 'Iraq outlined by the Air Staff in C.P. 16 (25) was based, *inter alia*, upon the assumption that the frontiers of 'Iraq would be satisfactorily settled without serious modification before the 31st December, 1925, and that subject to the fulfilment of the conditions enumerated, the Imperial garrison would in 1927-28 consist of :—

3 Indian Battalions.
7 Royal Air Force Squadrons.
2 Armoured Car Companies.

It will also be remembered that following upon the visit of the Secretaries of State for the Colonies and Air to ' Iraq in the early part of 1925, the Secretary of State for Air in C.P. 244 (25), assuming a favourable settlement of the frontier question and the institution of a Civil air route, was prepared to recommend the withdrawal of two Royal Air Force Squadrons and one Indian Battalion.

The composition of the Imperial garrison would then have been :—

1 British Battalion.
2 Indian Battalions.
6 Royal Air Force Squadrons.
3 Armoured Car Companies.

In neither of these two proposals was there any suggestion that they were conditioned by anything but a full acceptance by Turkey of a settlement of the frontier question, nor indeed could the reductions suggested have been effected if the necessity for countering the menace of Turkish aggression had remained.

On the other hand, the reductions proposed and foreshadowed in Sir Henry Dobbs' telegram of the 16th June, 1926,† were one Indian Battalion, one Levy Cavalry Regiment, two Royal Air Force Squadrons, and, provided the situation was normal in March, 1927, one British Infantry Battalion and a further Royal Air Force Squadron. To all these reductions, which represent a very considerable advance on what had previously been considered possible, effect has been given in the estimate of £2,219,000.

Moreover, as the Council need hardly remind Mr. Amery, the forces in 'Iraq have throughout the period of air control been designed for the purpose of maintaining internal security and repelling tribal raids, and not of countering any serious threat of armed aggression by Turkey.

The Council are, therefore, of opinion that the estimate of £2,219,000 represents the maximum possible reduction consistent with the maintenance of internal security, and are in fact by no means certain that it has not been cut too fine.

Schemes for the reorganisation of the 'Iraq Army and the incorporation of the 'Iraq Levies are now under consideration, and the Council are of opinion that it would be rash to assume that when a satisfactory scheme has been evolved sufficient progress will have been made to enable any further reduction in the cost of the Imperial Garrison to be effected in 1927-28.

They understand that pending a decision on the question of the reorganisation of the 'Iraq Army, the High Commissioner has proposed that the estimates for the 'Iraq Levies should be framed on the assumption that the Arab Battalion will be transferred to the 'Iraq Army in February next, that the Pack Battery and Cavalry Regiment will be disbanded in February and October, 1927, respectively, and that the three remaining Infantry Battalions will remain as a charge to Imperial funds throughout the year. For their part the Council would be willing, if any appreciable saving would thereby be effected, to agree to two of the remaining Levy Battalions being incorporated into the

* C 20336/26 : not printed. † C 12360/26. not printed.

'Iraq Army in October, 1927, as was originally proposed by Sir Henry Dobbs. They realise, however, that the delay which has occurred since Sir Henry Dobbs made this proposal may well have led him to consider that the necessary arrangements could not be completed in time to permit of the transfer taking place in October next, and that the saving to Imperial funds might in such circumstances be negligible.

I am, &c.,
W. F. NICHOLSON.

C. 49027/27. [No. 6].

No. 6.

'IRAQ.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 2.5 p.m., 26th January, 1927.)

TELEGRAM.

[*Answered by No.* 7.]

No. 27. Treasury have challenged Air Ministry figure of £2,219,000 included in Defence Sub-head of Middle Eastern Services Estimates for next year as cost of British Garrison in 'Iraq. Figure in question covers cost of—

5 Squadrons Royal Air Force.
3 Armoured Car Companies.
2 Indian Battalions.
1 Sappers and Miners Company and Ancillaries.

Treasury argue that as estimate was framed when future relationship with Turkey was doubtful it ought to be possible now that situation is much stabler to effect substantial reduction. They suggest as there is little time for discussion of details estimate should be reduced by lump sum of £300,000 in anticipation of actual alterations which they hope may reach even higher figure. Matter is under discussion with Air Ministry Have you any comments to offer?

Confidential. You will realise that as consequence of last year's industrial trouble Chancellor of the Exchequer is confronted with grave difficulties in framing Budget. Drastic reductions in every direction will probably have to be made.—AMERY.

C. 49027/27. [No. 10].

No. 7.

'IRAQ.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 10.10 p.m., 28th January, 1927.)

TELEGRAM.

No. 45 of 28th January. Your telegram No. 27.* Estimate was expressly based on the contingencies of the ratification of the Angora Treaty and the continuation of the normal situation thereafter, vide my telegram of 16th June, No. 283.† These conditions having been fulfilled, not only is reduction then contemplated being carried out but the Air Officer Commanding has by very close scrutiny since his arrival managed to reduce the estimate based on the Higgins reduction by approximately £210,000. It can hardly, therefore, be argued that fullest advantage has not been taken of the improved situation on the expectations of which the present Estimates were based. Moreover, it is now found necessary, for the purpose of fulfilling 'Iraq's obligations under the *bon voisinage* clause of the Angora Treaty, to bring next summer troublesome portion of the frontier zone lying north of Aqra under much closer control. This may involve minor operation and demonstration. Air Officer Commanding and I consequently feel the greatest difficulty in proposing (?) any further reduction before the future policy for the 'Iraq Army is settled and has begun to bear fruit. From information at the disposal of the Air Officer Commanding it appears that the Estimates for next year for all Imperial Forces in 'Iraq, including the Levies, are already £1,000,000 below the Estimates for the current year. It should be remembered, however, that the reduction already proposed will not be realized unless the disposal of inlay and power stations at

* No 6 † C. 12360/26: not printed.

Baghdad and Basra is completed early. If pushed to the utmost we might be able to dispense with one Indian battalion whose guard duties would have to be done by the 'Iraq Army but we should greatly regret to be obliged to take the risks involved. Air Officer Commanding concurs in this telegram.—DOBBS.

C. 49027/27. [No. 18].

No. 8.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 10.]

(Confidential.)

SIR, Downing Street, 3rd February, 1927.

I am directed by Mr Secretary Amery to acknowledge the receipt of Mr. Meiklejohn's letter of the 18th January, 1927, No. F.9811,* on the subject of the Middle Eastern Services Estimate for 1927.

2. As regards the proposal of the Lords Commissioners to reduce the provision on Sub-head A, Defence, by (say) £300,000 in respect of 'Iraq, I am to state, for the information of Their Lordships, that Mr. Amery has been in communication with the Air Ministry on the subject and a copy of a letter† received from that Department is enclosed herewith. The Secretary of State has also had the advantage of full personal discussion with the Chief of the Air Staff. He has further, as Their Lordships are aware, obtained the views of Sir H. Dobbs by telegraph.‡

3. In the first place Mr. Amery would observe that the reductions which have taken, or are taking place in the Garrison of 'Iraq during the second half of 1926-27, viz.,

3 Squadrons Royal Air Force,
1 British Battalion, and
1 Indian Battalion,

together with reductions in ancillary services, have been the result of the recommendations put forward by Sir H. Dobbs, with the concurrence of the Air Officer Commanding in 'Iraq, in June, 1926, on the conclusion of the Treaty with Turkey. The High Commissioner's recommendations had full regard to the satisfactory settlement of the frontier question, whilst the reduction in ancillary services has since been carefully reviewed and very materially increased.

4. They represented a considerable advance on what had previously been considered possible and had the effect of reducing the composition of the British and Indian Garrison to—

5 Squadrons Royal Air Force,
2 Indian Battalions and 1 Sapper and Miner Company,
3 Armoured Car Companies;

whereas, under the scheme of progressive reductions outlined in C.P. 16 (25), the garrison would have consisted on the 1st April, 1927, of—

7 Squadrons Royal Air Force,
3 Indian Battalions,
and 2 Armoured Car Companies.

Their Lordships will also be aware that the strength of the 'Iraq Levies is being reduced in February, 1927, by—

1 Infantry Battalion (to be transferred to the 'Iraq Army); and
1 Pack Battery (to be disbanded),

whilst the remaining Cavalry Regiment is to be disbanded in October next.

5. These reductions, which have resulted in a saving of £1,132,500, have only been made possible by a careful review of the whole field of expenditure and by the decisions—

(*a*) to dispose of practically the whole of the Inland Water Transport;
(*b*) to dispose of Basra Dockyard;
(*c*) to abolish the Animal Transport Company;
(*d*) to abolish the Air Headquarters at Basra;
(*e*) to effect a concentration of Hospital accommodation; and
(*f*) to reduce ancillary services generally.

Moreover, the question of the re-organisation of the 'Iraq Army is still under consideration by the Oversea Defence Committee and, pending a decision on this matter,

* No. 3. † No. 5. ‡ No. 7.

it would be premature to make further drastic alterations in the defence arrangements of 'Iraq.

6. In all the circumstances, and on a careful review of the whole situation, Mr. Amery, while he realises the urgent need for effecting all possible economies, has come to the conclusion that it is not possible, at the moment, to reduce the number of Air Squadrons in 'Iraq further.

7. He is, however, prepared to consider during the course of the year whether it will be possible to dispense with one of the Indian Battalions towards the end of the year, although he can give no assurance that this will be possible. He is communicating with the India Office with a view to ascertaining whether the Government of India would agree to the withdrawal of an Indian Battalion at the end of December next, or if possible, at the end of September, 1927, and he will take up with the High Commissioner for 'Iraq the question of incorporating into the 'Iraq Army, in October, 1927, instead of October, 1928, two of the remaining Levy Battalions.

8. As regards the Indian Battalion, I am to point out that the Government of India have requested that 12 months' notice should be given of the proposed withdrawal of Indian Units, and that a liability for three months' pay rests upon His Majesty's Government after the date on which such units return to India.

9. Their Lordships will, therefore, appreciate that no saving on the provision made for these troops will accrue in 1927 unless the Battalion leaves 'Iraq before the end of December next, but, if this can be arranged, the full benefit of any reduction will be felt in the estimates for 1928.

10. So far as the question of transfer of Levy Battalions to the 'Iraq Army is concerned, I am to say that, in Mr. Amery's view, such a course, even if accepted by the 'Iraq Government, would in all probability necessitate an increase in the contribution to that Government to assist in the maintenance of the 'Iraq Army. It would follow that little or no relief would be secured by this means to the British Exchequer.

11. Mr. Amery trusts, therefore, that Their Lordships, on further consideration, and having regard to the foregoing representations, will agree to the full provision of £2,219,000 inserted under Sub-head A, Defence, of the Middle Eastern Services Estimates for 1927 on account of 'Iraq, on the understanding that he will endeavour to effect a saving on this figure during the year.

I am, &c.,
J. E. SHUCKBURGH.

C. 49027/27. [No. 23].

No. 9.

AIR MINISTRY to COLONIAL OFFICE

SIR, Air Ministry, London, W.C.2, 9th February, 1927.

With reference to your letter dated 24th January, 1927,* and subsequent correspondence, I am commanded by the Air Council to transmit, for the information of the Secretary of State for the Colonies, statements† giving details of the provision required in 1927 in respect of Defence Services in 'Iraq, Palestine and Trans-Jordan.

I am, &c.,
H. McANALLY.

C. 49027/27. [No. 27].

No. 10.

TREASURY to COLONIAL OFFICE.

(F. 9811.)

SIR, Treasury Chambers, 17th February, 1927.

I have laid before the Lords Commissioners of His Majesty's Treasury Sir J. Shuckburgh's letter of the 3rd instant‡ and enclosure on the subject of the provision for 'Iraq Defence in the draft Middle Eastern Services Estimate for 1927, and I am to request you to convey to the Secretary of State for the Colonies the following reply.

My Lords recognise the large reduction which has, in fact, been made in the Imperial Garrison and They are glad to learn the economies in ancillary services which have resulted from the careful review by the Air Officer Commanding. They now

* No. 4. † *See* Section II, 1. ‡ No. 8.

have Mr. Amery's assurance that the High Commissioner's recommendations for reduction had full regard to the satisfactory settlement of the frontier question following the conclusion of the Treaty with Turkey, and They accept the position that it is not feasible at the moment to make further reductions.

My Lords, note, however, that Mr. Amery is prepared to consider during the course of the year whether it would be possible to dispense with one of the two remaining Indian Battalions and that he is communicating with the India Office accordingly. In view of the time which is likely to elapse before effect could be given to this proposal and of the liability for three months' pay after the release of the unit, My Lords will accept the present Estimate of £2,219,000 for 'Iraq Defence on the understanding that a saving on this figure will be effected during the year if possible.

My Lords note that Mr. Amery proposes to discuss with the High Commissioner the question of transferring to the 'Iraq Army two further battalions of the Levies, but that such a proposal might result in a request by the 'Iraq Government for additional assistance towards the maintenance of the 'Iraq Army. As, however, My Lords are opposed to any increase of the present assistance granted to that Government for its Army, They are content that the transfer of additional battalions of the Levies should be deferred for consideration in the light of the report of the Oversea Defence Committee on the reorganisation of the 'Iraq Army and of the financial position of 'Iraq resulting therefrom. They would prefer, in all the circumstances. to consider the problem as a whole instead of dealing separately with the question of the Levies.

I am, &c.,
G. L. BARSTOW.

Sub-head B. Boundary Commission.

C. 18538/26.

No. 11.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 12.]

SIR, Downing Street, 25th October, 1926.

I AM directed by Mr. Secretary Amery to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a note* from the French Government to His Majesty's Ambassador, Paris, copy of which formed an enclosure in a letter from the Foreign Office to this Department of the 16th July last,† with regard to the delimitation of the frontier between 'Iraq and Syria In view of the French Government's desire to defer the opening of negotiations on this subject to a probably not distant date, Mr. Amery proposes, subject to Their Lordships' concurrence, to include a sum of £3,000 in the Vote for Middle Eastern Services for the next financial year as a revote for this service.

I am, &c.,
J. E. SHUCKBURGH.

C. 20334/26.

No. 12.

TREASURY to COLONIAL OFFICE.

(Ref. S. 30505.)

SIR, Treasury Chambers, 30th October, 1926.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Sir John Shuckburgh's letter of the 25th instant,‡ and the accompanying copy of a note from the French Government to His Majesty's Ambassador, Paris, with regard to the delimitation of the frontier between 'Iraq and Syria.

In reply I am to request you to inform Mr. Secretary Amery that subject to confirmation in the light of further information My Lords concur provisionally in his proposal to include a sum of £3,000 in the Vote for Middle Eastern Services for the next financial year as a revote for this service. Any expenditure from the provision would in any case be subject to Their prior approval.

I am, &c.,
G. L. BARSTOW.

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* Not printed. † C. 14171/26: not printed. ‡ No. 11.

Sub-head C. High Commissioner.

C.F. 15656/26.

No. 13.

'IRAQ.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 25th October, 1926.)

(Confidential. C.)

SIR, The Residency, Baghdad, 14th October, 1926.

I HAVE the honour to invite a reference to my despatch Confidential " B " dated the 19th of May, 1926,* in which I asked for your approval to the creation of an extra post of Assistant Secretary in this High Commission.

2. While I still adhere to my opinion that a permanent addition to my staff is necessary (and the departure of Mr. Sturges on 9 months' leave to-day makes it essential that the additional officer should be recruited with as little delay as possible), I have come to the conclusion that what is needed is not an extra Assistant Secretary but a Legal Secretary.

3. In his despatch Confidential " A " dated the 12th April, 1923,† Sir Percy Cox expressed the opinion that my Counsellor, Mr. Bourdillon, and I, both of whom have at one time or another filled semi-legal or judicial posts, would be able to cope with any legal questions that might arise. It was possible for us to do so before Parliament was in full swing, but it is now no longer possible. The volume of legislation and of draft laws and rules on important matters is growing rapidly, and I have constantly to criticise and return drafts prepared by the various 'Iraq Departments. It is becoming increasingly difficult for my Counsellor or myself to spare time from other work for the very close scrutiny of these drafts which is essential. I also have frequently to refer questions of law to the Adviser to the 'Iraq Ministry of Justice, and a case has recently occurred in which he refused to give me an opinion, as he feared that it might conflict with his duties to the 'Iraq Government.

4. For the foregoing reasons I consider that the post of Legal Secretary should be re-created, and should be filled by a competent young barrister or person fully trained in legal matters, who would of course bear a share of the general High Commission work. A knowledge of Arabic and of the Middle East would be valuable, though not essential. I suggest that he should be placed on the same grade as my Financial and Political Secretaries, *i.e.*, Rs. 1,500—100—2,000.

5. Should this appointment be approved it will be unnecessary for me to ask for a temporary substitute to fill any leave vacancies except in the case of my Financial Secretary, whose work cannot be undertaken by any other member of the staff.

6. I will address you subsequently as to the manner in which the increased expense will be met, but I am most anxious that the appointment should be approved and an officer selected with the least possible delay, in view of the shortage of staff occasioned by Mr. Sturges' absence.

I have, &c.,
H. DOBBS,
High Commissioner for 'Iraq.

C. 20738/26.

No. 14.

'IRAQ.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 8th November, 1926.)

(No. 1367.)

SIR, The Residency, Baghdad, 21st October, 1926.

I HAVE the honour to refer to your telegram No. 408 dated the 6th of October, 1926,‡ calling for estimates of the High Commission and of the 'Iraq Levies for the year 1927-28.

2. I forward herewith the estimates of the High Commission§ in which the expenditure for the coming year is estimated at Rs. 6,75,000/-, which is the same figure as

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* 1049/26: not printed. † 20384/23: not printed. ‡ C. 18538/26: not printed.
§ *See* Section II, 2.

given in the budget estimates for the current financial year, although the latter figure was subsequently reduced to Rs. 6,66,667/- as a round sterling figure as notified in your despatch No. 1460 dated the 30th of November, 1925.*

3. The provision made for gazetted staff is on the same basis as that contained in the estimates for the current year except that allowance has been made for the appointment of a Legal Secretary on the Grade Rs. 1,500—100—2,000. The reasons for this appointment have been explained separately in my application for authority for the inclusion of the post in the cadre of the High Commission. That application and the correspondence preceding it on the subject of the staff of the High Commission sufficiently explain the necessity for the retention of the senior posts included in these estimates and it is unnecessary to go over the same ground in this despatch.

4. Provision has been made for the same clerical and subordinate establishment as is at present employed, with one internal adjustment, and I can see no prospect of any reduction being effected in that staff during the period to be provided for. This is, of course, a matter which receives my constant attention and should the circumstances render practicable a reduction in establishment or expenditure generally at any time action would at once be taken to enforce it. In this connection I would remark that revised terms of service for Indian Officials employed under the 'Iraq Government are now almost settled, and it is likely that the revised conditions will actually come into effect before or during the financial year now under consideration. I will in due course address you separately regarding the application of the revised conditions to the Indian clerical staff for whom provision is made in the estimates but there will be little actual difference in the ultimate expenditure, as the proposals imply a consolidated rate of pay including allowances at present drawn, subject to a percentage reduction which is replaced by a service gratuity and the enjoyment of the consolidated rate of pay during periods of leave.

5. It has been found possible to effect minor reductions under most expenditure headings of Vote II, "Allowances and Services," in order to offset the increased amount required under salaries, but substantial reduction is not possible as experience has shown that the amounts now provided represent the minimum amounts that can cover the services that require to be maintained. There are only three items in this Vote in which increased expenditure is foreshadowed, *i.e.*, the provision of further mechanical transport and furniture for the Residency and the contribution towards the Provident Fund.

(*a*) The purchase of a new touring car for my own official use in replacement of one of the two antiquated Crossleys now on High Commission charge cannot be further postponed These two cars will have been in constant use for eight years when the new financial year opens and they have already reached the uneconomical stage where further expenditure on repairs is bound to be heavy and unsound and running expenses become prohibitive. The majority of the capital sum required for this purpose will be found by further economies in the use and maintenance of the other forms of mechanical transport on Residency and Secretariat charge, but slightly increased provision is necessary to provide the balance required.

(*b*) An additional sum of Rs. 1,600/- has been provided under item 77 for the purchase of furniture for the Residency. The number of such essential items as chairs on charge is very limited and furniture of all sorts has to be hired or borrowed for almost all public functions. The dining room chairs are unsuitable and require early replacement. Some drawing room book-shelves, tables and other sundry articles of furniture are also required and the moderate additional amount referred to has been provided to remedy these deficiencies.

(*c*) The Provident Fund increase is due to the admission of the new Oriental Secretary to its benefits and to allowance being made for the proposed new post of Legal Secretary.

6. In conclusion, I would assure you that every item of these estimates has been closely analysed and discussed, and that the figures represent in my considered opinion the minimum sums for which the duties of the High Commission can be fulfilled.

I have, &c.,
H. DOBBS,
High Commissioner for 'Iraq.

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* 53069/25 : not printed.

C.F. 15656/26.

No. 15.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 17.]

SIR, Downing Street, 26th November, 1926.

I AM directed by Mr. Secretary Amery to refer to the correspondence ending with your letter of the 26th of July (No. E. 7586/2)* regarding the proposed appointment of an additional Assistant Secretary on the staff of the High Commissioner for 'Iraq, and to transmit to you herewith, to be laid before the Lords Commissioners of the Treasury, a copy of a further despatch† on the subject which has been received from Sir H. Dobbs.

2. From this despatch Their Lordships will observe that, while adhering to his opinion that an addition to his staff is a matter of urgent necessity, Sir H. Dobbs has come to the conclusion that the additional post should be that of a Legal Secretary rather than an additional Assistant Secretary, Mr. Amery shares the views of the High Commissioner regarding the desirability of creating this post. In the first place, the High Commissioner will be required to examine the considerable body of legislation which is likely to be introduced before the 'Iraq Parliament within the next few years. Its effective examination would be quite beyond the capacity of the High Commissioner's staff as at present constituted. Apart from this consideration, however, Mr. Amery feels strongly that the High Commissioner should have some officer on his staff to whom he can turn for legal advice. He understands that at present there is only one British barrister in 'Iraq, and that he is frequently "briefed" by persons whose interests are directly opposed to those of the High Commissioner. For example, his services have recently been secured by the representatives of the local commercial community who are claiming compensation from His Majesty's Government for losses incurred during the recent floods at Baghdad. Moreover, the High Commissioner frequently is called upon to decide such questions as whether projects for 'Iraq Legislation, applications for concessions, &c., do or do not fall within the category of "matters affecting the international and financial obligations and interests of His Britannic Majesty's Government," and whether the 'Iraq Government's interpretation of their obligations under the agreements subsidiary to the Anglo-'Iraq Treaty of 1922 may be accepted as correct. In such matters the High Commissioner should, Mr. Amery considers, be able to turn for expert legal advice to a member of his staff and to avoid constant references to the Secretary of State, which are undesirable not only as involving delay but as emphasising the dependence of 'Iraq upon His Majesty's Government.

3. In view of the considerations advanced above, and of the arguments set out in Sir H. Dobbs' despatch, Mr. Amery trusts that Their Lordships will be moved to sanction the creation of the proposed post at an initial salary of Rs. 1,500 per mensem rising by annual increments of Rs. 100 per mensem to Rs. 2,000. It is proposed, if Their Lordships' sanction is obtained, to second a suitable officer from the Colonial Service to fill the appointment.

4. I am to request that Mr. Amery may be informed at the earliest possible moment of Their Lordships' decision.

I am, &c.,
J. E. SHUCKBURGH.

C. 20738/26.

No. 16.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 18.]

SIR, Downing Street, 3rd December, 1926.

I AM directed by Mr. Secretary Amery to refer to the letter from this Department of the 1st November, 1926,‡ with regard to the provision required to be made in the Vote for Middle Eastern Services for 1927 in connection with various Sub-heads, including the contribution in respect of the salaries and expenses of the High Commissioner for 'Iraq and his personal and political staff, and to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a despatch§ which has been

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* C. 1049/26 : not printed. † No. 13. ‡ No. 30. § No. 14.

received from the Acting High Commissioner enclosing detailed estimates for this service.

2. Their Lordships will observe that the amount of the provision which the Acting High Commissioner estimates will be required in 1927, viz., Rs. 6,75,000, is the same as the amount shown in the estimates for the current year which were forwarded to the Treasury under cover of Colonial Office letter of 13th November, 1925.*

3. A sum of Rs. 18,300 has been included for the only important change in this estimate as compared with that for 1926, viz., the proposed new appointment of a Legal Secretary.† The necessity for this addition to the staff of the High Commissioner formed the subject of Colonial Office letter of 26th November, 1926.‡ The increase due to the inclusion of this post has been offset by reductions in the provision for office services and maintenance of the Residency generally. Provision has also been made for the retention of the post of Oriental Secretary left vacant by the death of the former holder, and the question of the appointment of Captain V. Holt, the former Private Secretary, to this post, was referred to Their Lordships in the letter from this Department of 10th November, 1926.§ A net saving (Rs. 2,215) has been effected by this latter change, and also by changes in the incumbency of posts in the confidential section of the clerical personnel and typing staff (items 10, 14, 18, 33, 34, 36 and 42) while increases due to normal increments amount to Rs. 7,555.

4. After full consideration, Mr. Amery finds himself in agreement with the observations made by the Acting High Commissioner and recommends his proposals for the favourable consideration of Their Lordships.

5. While a moiety of the total estimated cost of Rs. 6,75,000 will, at the rate of 1s. 6d. to the Rupee, be £25,312, in the light of the detailed estimate and of the High Commissioner's forecast of expenditure for the current year Mr. Amery now considers that a provision of £25,000 from Imperial funds, as in the current year, should suffice.

I am, &c.,
J. E. SHUCKBURGH.

C.F. 15656/26.

No. 17.

TREASURY to COLONIAL OFFICE.

(E. 7586/3.)

SIR, Treasury Chambers, 4th December, 1926.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Sir John Shuckburgh's letter of the 26th ultimo‡ with enclosure from the High Commissioner for 'Iraq relative to the proposed addition of an officer to his staff.

Their Lordships note that the High Commissioner and the Secretary of State now propose in place of proceeding with the appointment of an additional Assistant Secretary to which They agreed in principle by Treasury letter E. 7586/2 of the 26th July last,‖ to revive the post of Legal Secretary with remuneration at the rate of Rupees 1,500 per mensem rising by annual increments of Rupees 100 to Rupees 2,000.

In reply I am to request you to inform Mr. Secretary Amery that on the understanding that he is satisfied as to the necessity for the appointment of an officer of this grade My Lords sanction the proposal.

I am, &c.
R. R. SCOTT.

C. 23588/26.

No. 18.

TREASURY to COLONIAL OFFICE.

(E. 7586/3.)

SIR, Treasury Chambers, 22nd December, 1926.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Sir John Shuckburgh's letter of the 3rd instant¶ transmitting copy of a despatch from the High Commissioner of 'Iraq forwarding an estimate of the cost of his establishment for the financial year 1927.

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* 49527/25: not printed. † *See* Nos. 13, 15, and 17. ‡ No. 15.
§ 20659 Middle East: not printed. ‖ C. 1049/26: not printed. ¶ No. 16.

In reply I am to request you to inform Mr. Secretary Amery that My Lords sanction the provision of the sum of £25,000 under the Sub-head " High Commissioner, Salaries and Expenses " of the Estimate for the Vote for Middle Eastern Services for the year 1927.

I am, &c.,
G. L. BARSTOW.

Sub-head D. Contributions to assist in the maintenance of the 'Iraq Army.

23385/26.

No. 19.

COLONIAL OFFICE to TREASURY.

SIR, Downing Street, 30th May, 1926.

I AM directed by Mr. Secretary Amery to refer to the decisions arrived at by the Cabinet at a meeting held on the 20th May at which approval was given to the grant to the 'Iraq Government for the years 1925-26, 1926-27 and 1927-28 of sums of Rs. 12 lakhs, Rs. 18 lakhs and Rs. 18 lakhs respectively in aid of the expenditure by that Government for purposes of defence.

2. In view of that decision Mr. Amery assumes that Their Lordships will be prepared to agree to the inclusion of a sum of £90,000 (representing the equivalent in sterling of Rs. 12 lakhs at 1s. 6d. the rupee) in a supplementary estimate which it will be necessary to submit at an early date, as there is no prospect, so far as Mr. Amery can foresee at present, that any savings will be available on the Estimates for Middle East Services for the current year as already presented to Parliament, and in any case, Parliamentary authority would appear to be necessary for what is distinctively a " new service."

3. Mr. Amery assumes that the form in which the estimate should be prepared should follow that adopted for the grant made to the Trans-Jordan Administration under Sub-head F of the Middle East Vote, *i.e.*, it should be described as a contribution to the 'Iraq Government to assist in the maintenance of the 'Iraq Army. It is understood also that the amount of the Grant voted will be issued in full, and that British and native personnel of the Arab Army will not be subject to the incidence of the British Income Tax Acts.

4. I am to enquire whether Their Lordships concur in Mr. Amery's proposals, and if so, at which date the supplementary estimate should be submitted to them.

I am, &c.,
R. V. VERNON.

C.F. 6591/26.

No. 20.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 21.]

SIR, Downing Street, 20th October, 1926.

I AM directed by Mr. Secretary Amery to refer to Sir G. Barstow's letter No. S.27031 of 11th March, 1926,* regarding the issue of the Imperial contribution to the 'Iraq Government to assist in the maintenance of the 'Iraq Army, and to state that in view of the arrangements sanctioned therein the issues to the 'Iraq Government to the 31st March, 1927, in respect of the subvention of Rs. 18 lakhs for the current financial year will amount to Rs. 16½ lakhs. These issues, together with the sum of Rs. 1,00,000 representing the balance of the grant of Rs. 12 lakhs for 1925-26, will make the total payments chargeable to the Sub-head " D " Contribution to 'Iraq Government to assist in " the maintenance of the 'Iraq Army (Grant-in-Aid) " of the Vote for Middle Eastern Services for 1926 amount to the sterling equivalent of Rs. 17½ lakhs.

2. As His Majesty's Government has agreed to make a grant of Rs. 18 lakhs for this service in the next financial year, I am to suggest that the amount to be inserted in the Estimates for 1927 should include provision for the balance of Rs. 1½ lakhs which will be thrown forward from the current year. Unless, therefore, Their Lordships would prefer that provision for this service should be carried forward into 1928, Mr. Amery proposes to include the sterling equivalent of Rs. 19½ lakhs for

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* C. 580/26: not printed.

this service in the draft Estimates for the Vote for Middle Eastern Services which will shortly be submitted to the Treasury.

3. I am to add that the above provision is quite separate from any question as to any further subvention that may arise in connection with the transfer of any of the Levy units to the 'Iraq Army, as to which reference is invited to the letter from the Colonial Office of 29th September, 1926.*

I am, &c.,
J. E. SHUCKBURGH.

C.F. 6591/26.

No. 21.

TREASURY to COLONIAL OFFICE.

(S. 30391.)

SIR, Treasury Chambers, 28th October, 1926.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Sir John Shuckburgh's letter of the 20th October,† relative to the provision to be made in the Estimates for Middle Eastern Services, 1927, as a contribution to the 'Iraq Government to assist in the maintenance of the 'Iraq Army.

In reply I am to request you to inform Mr. Secretary Amery that My Lords would prefer the provision to be restricted to the sterling equivalent to Rs. 18 lakhs in 1927, this being the amount which can properly be paid on the monthly certificates, to February, 1928, inclusive, of the progress of the 'Iraq Army. The balance necessary to complete the promised total grant-in-aid of Rs. 48 lakhs in 1925, 1926 and 1927 should be proposed in the Estimates for 1928-29.

I am to add with reference to the last paragraph of the letter under reply that My Lords are aware of no reasons for making any addition to the present subvention in connection with the transfer of Levy units to the 'Iraq Army.

I am, &c.,
G. L. BARSTOW.

C. 49027/27 [No. 24].

No. 22.

TREASURY to COLONIAL OFFICE.

(F. 9811.)

SIR, Treasury Chambers, 9th February, 1927.

I AM directed by the Lords Commissioners of His Majesty's Treasury to advert to Sir J. Shuckburgh's letter of the 4th November last‡ covering the draft Estimates for Middle Eastern Services for 1927. The Estimates include provision under Sub-head D for an increase of £52,500 in the Grant-in-Aid of the maintenance of the 'Iraq Army, a matter which has been dealt with separately by Colonial Office letters of 28th September§ and 6th November,‖ to which Their Lordships caused a reply to be sent on 22nd November.¶

My Lords are aware that schemes for the organisation of the 'Iraq Forces are under discussion by the Oversea Defence Committee, but on the information before Them They see no reason to vary Their opinion that these schemes should be prepared on the basis that no financial assistance from the British Exchequer will be available for 'Iraq defence purposes after 1927-28. And in any case, apart from this point, They see no reason, in view of the accumulated surplus on the local Budget, for making the additional provision of £52,500 proposed in the draft Estimates for 1927-28. They propose, therefore, to delete the provision and to leave Sub-head D at £135,000 as in 1926-27.

I am, &c.,
G. L. BARSTOW.

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* C. 17573/26: not printed. † No. 20. ‡ No. 1. § C. 18538/26: not printed.
‖ C. 19851/26: not printed. ¶ C. 21601/26: not printed.

Sub-head E. Native Levies.

C. 21569/26.

No. 23.

'IRAQ.

THE ACTING HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 22nd November, 1926.)

(Confidential. "B.")

SIR, The Residency, Baghdad, 11th November, 1926.

I HAVE the honour to refer to my telegram, No. 527 dated the 26th of October, 1926,* regarding the Estimates of expenditure during the coming financial year on services financed from the Vote for Middle Eastern Services.

2. I forward herewith four copies of the draft Estimates† for the 'Iraq Levies, in the approved form, for the financial year 1927-28, in which provision is made for a total gross expenditure of the amount named in the telegram referred to above, *i.e.*, Rs. 49,50,000, or £371,250 at a sterling rupee value of 1s. 6d. This represents the substantial reduction of £245,750 in the amount included for the Levies in the Middle Eastern Estimates for the current financial year.

3. This result is attributable to the following anticipated reductions in the strength of the Force:—

(*a*) Transfer of one Infantry Battalion (1st Battalion) to the 'Iraq Army on the 1st of January, 1927.
(*b*) Disbandment of the Levy Pack Battery on the 31st of March, 1927.
(*c*) Disbandment of the remaining Cavalry Regiment on the 1st of October, 1927.

In addition to the removal of the complete units from the cadre, allowance has been made for reductions in the staff and departmental appointments consonant with the diminution of the number of units to be administered. Details of these are given hereafter.

4. The only troops for which provision is being inserted in the Estimates for the whole of the financial year are as follows:—

Headquarters,
3 Infantry Battalions,
1 Machine Gun Company,
1 Transport Company,
1 Pack Ambulance,
Depot,

and the requisite medical, veterinary, remount and ancillary services.

5. The rate of conversion has been taken throughout the Estimates at one rupee equals one shilling and sixpence, which is the prevailing rate for the current financial year. Should the value of the rupee fall below 1s. 6d. during the year an increase in the rupee allotment will be necessary to cover the additional cost of the sterling rates of pay of British Officers, Warrant and Non-Commissioned Officers, pension contributions, passages and other charges usually payable in sterling currency.

6. In order to allow of the settlement of accounts, leave and non-effective charges of British and native personnel whose services will be dispensed with during the coming year under the reductions foreshadowed in paragraph 3 of this despatch, the following method of arriving at the pay figures has been adopted:—

(*a*) In the case of all British personnel full pay has been allowed for a period of five months after the date on which the unit with which they are associated is destined to disappear, *i.e.*, the officers of the Pack Battery are provided for for five months in the Estimates and the officers of the Cavalry Regiment for the whole year.

(*b*) In the case of Native personnel full pay has been allowed for a period of three months after the date on which the unit with which they are serving is abolished, *i.e.*, the Native ranks of the Pack Battery are provided for for three months in the Estimates and those of the Cavalry Regiment for ten months.

In the case of (*a*) experience has shown that five months is the average period during which a non-effective officer or non-commissioned officer remains a charge against Levy funds after leaving 'Iraq and in the case of (*b*) provision is made for an average entitlement of one month's leave for each soldier and for the usual amount of two additional months' leave as compensation for premature termination of contract.

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* C. 20121/26: not printed. † *See* Section II, 3.

This is the amount of compensation that has been awarded in the past in similar cases and it is generally accepted as reasonable.

7. The following reductions have been provided for in British staff and departmental officers during the year, consequent upon the disbandment of the units referred to :—

(i) Provision has only been made for the post of Deputy Assistant Quartermaster-General for ten months, which will allow of the appointment being abolished simultaneously with the completion of the abolition of the Cavalry Regiment.

(ii) Provision has only been made for the post of Levy Works Officer for seven months, which will allow of the appointment being abolished on the 1st of November, 1927, but against this provision has been inserted for the post of Staff Captain for " Q " duties, in place of the Deputy Assistant Quartermaster-General, for five months. In effect, therefore, the post of Levy Works Officer is converted into that of a Staff Captain from the 1st of October, 1927.

(iii) The appointments of Senior Medical Officer and Veterinary Officer are provided for for six months only in each case, thus allowing both the appointments to be abolished from the 1st of September. The present incumbents of these posts both proceed on leave in the spring of 1927 and it is not proposed to replace them.

(iv) The post of Assistant Paymaster will be dispensed with on completion of the disbandment of the Cavalry Regiment but, as in the case of the officers of the Cavalry Regiment, provision has been made for his pay for the whole of the year in order to allow for pay being issued to him during the leave he has earned during his Levy service.

(v) The post of supernumerary Lieutenant-Colonel, provision for which has been re-inserted during the current financial year and regarding which I am addressing a separate despatch to you in reply to an enquiry on the point, has been included in the Estimates for a period of nine months. This is to allow of the services of the officer holding that post being dispensed with on return of the present Colonel Commandant from the leave which I propose to grant him next summer.

I should perhaps make it quite clear that the above definite reductions in the staff and departmental cadre of the Force have been decided upon, but that I propose, at a later date, to examine more closely the cadre of the Headquarter Staff of the Levies in comparison with the decrease in administrative and other duties that must necessarily follow upon the reduction in strength anticipated, with a view to reducing the number of officers employed on such duties still further. For the present, however, I shall be grateful if the proposals outlined above can be accepted.

8. No provision has been made for the pay of British Quartermasters in view of the considerations advanced in Sir Henry Dobbs' despatch No. 1197 dated the 16th of September, 1926,* and the previous arrangements for the payment of extra duty pay for combatant officers performing those duties have therefore been reverted to.

9. The only changes in the numbers of British non-commissioned personnel provided for, apart from those directly consequent upon the reduction in the number of units, are the addition of a Sub-conductor and an Ordnance Sergeant for the Levy Ordnance Staff according to the authority contained in your despatch No. 610 dated the 21st of June, 1926,† and the deletion of provision for one Depot Sergeant for all but five months. The latter is owing to the projected closing down of the Cavalry Wing maintained at the Levy Depot at the end of the present financial year and the discharge, on completion of the leave due to him, of the Sergeant employed with the Wing.

10. The Indian medical and veterinary staff is to suffer reduction to the extent of three medical sub-assistant surgeons and five veterinary sub-assistant surgeons at various dates throughout the year to coincide with the disappearance of the three units. In view of the withdrawal of the qualified veterinary subordinates provision has been made in the Estimates (Item 61 B) for payment of extra duty pay at the rate of Rs. 5 per mensem to one veterinary dresser per company of the three Infantry Battalions to be retained. Arrangements are now being made to put suitable men through a course of training to qualify them to act as dressers in the place of the sub-assistant surgeons when the latter are withdrawn and I shall apply for your formal sanction to the issue of the allowance in due course.

11. With regard to the clerical establishment, the Estimates have been reduced by two clerks from the Headquarters Staff for the last two months of the year in addition to the automatic reductions consequent upon the removal of the three units. I cannot foresee further reductions in the clerical staff during the financial year in question as the disbandments themselves add considerably to the volume of work to be

* C 18345/26: not printed. † C. 11724/26: not printed.

carried out in the record, ordnance and pay departments particularly, and until the disbandments are completed the existing staff will require to be retained. This, however, will form the subject of further investigation with a view to reduction on the lines set out in the concluding portion of paragraph 7 of this despatch.

12. Provision is made for the following additional non-combatant personnel :—

(*a*) Two lorry drivers, making four instead of two as sanctioned in the estimates for the current year.

(*b*) Six washerwomen.

(*c*) One ambulance driver.

The employment of this additional personnel has been found to be necessary or desirable during the current year, and a separate despatch regarding them is under preparation in connection with their temporary engagement, in the case of (*a*) and (*c*), as a charge against the Estimates for the present year. In the case of the washerwomen, they have been employed for a considerable period as a charge against the Medical sub-head of the Levy Estimates, and their position as permanently employed establishment is now being regularized. Their case is also receiving separate treatment.

13. Provision is now included in the Estimates for the first time for the pay and allowances of the Assyrian Aide-de-Camp to the Officer Commanding, Levies, graded as a Rab Khaila, for which appointment sanction was given in your despatch " Confidential A " dated the 24th July, 1926,* and for the rate of pay in your despatch No. 906 dated the 9th of September, 1926.†

14. There are two alterations which should be brought to your notice in connection with the numbers of native ranks budgetted for, one in connection with the strength of the Levy Depot, and the other with regard to the cavalry training wing. The Non-Commissioned Officers and men employed at the Levy Depot and detailed for Garrison employment have heretofore been drawn from the various units of the Force, and despite the reduction in the strength of the Force the number of men employed at the Depot on Garrison employment requires to be retained substantially at the same figure. The reduction of the units, *i.e.*, the Cavalry Regiment and the 1st Battalion during the current year and the Pack Battery and the other Cavalry Regiment during the year under consideration would necessitate the remaining Infantry units being drawn upon for these purposes to an unfair and, indeed, impracticable degree. Fifty-five privates are therefore being added to the strength of the three battalions, solely for Depot employment, when the disbandment of the other units is effected For the present, at least, I consider this to be a necessary measure. In the case of the native personnel of the Cavalry Wing, I propose to agree to the transfer of the five Non-Commissioned Officers and men to the Cavalry Regiment when the Wing ceases to function as such at the Depot at the end of the current financial year (see paragraph 9 *supra*). The small temporary excess of establishment thereby caused, although allowed for in full in the Estimates, will be completely neutralized in practice by the cessation, as soon as the disbandment of the unit is definitely approved, of recruitment and re-engagement for the Cavalry.

15. It will be seen that heavy reductions have been made in the supply services, ancillary services and all headings of the Estimates Purchase of animals will cease entirely, and the provision made under Item 76 Clothing, Item 77 Arms and Ammunition, and Item 78 Equipment is confined to the estimated amount required to meet bills for materials now on order and for the maintenance in good order of the three infantry battalions only. Ordnance stocks are being run down as far as possible, and are not being replenished The details of the amounts inserted under these headings have been closely scrutinized and amended in my Secretariat, and the provision cannot, in the circumstances existing and foreseen, be safely reduced.

16. All new works have been excised from the building programme, with the exception of a hospital at Kaniwatman, which appears to be a necessity and regarding which I shall address you in due course. The cost of maintenance has been restricted to a minimum, and the amounts provided for improvements to existing buildings are reasonable.

17. Such other differences in provision on items not dealt with in this despatch are adequately explained in the Estimates and the appendices attached. I trust that it will be possible, in view of the fact that every effort has been made to restrict the provision asked for to the lowest possible figure, for provision for the total amount of Rs. 49,50,000 to be inserted in the Middle Eastern Estimates.

* C. 14166/26: not printed. † C. 11843/26: not printed.

18. In submitting these Estimates I should like to emphasize that they are drawn up on the assumption that certain reductions in the Levy establishment, detailed in paragraph 3 above, which have been recommended by Sir Henry Dobbs, with the full concurrence of the Air Officer Commanding, are accepted by His Britannic Majesty's Government. Should the contemplated disbandments be vetoed or delayed for any reason whatever the provision which I have asked for must be increased. according to the extent to which the programme suffers interference On the other hand, the Estimates allow for the retention as an Imperial commitment of three infantry battalions for the whole of the next financial year, although provisional proposals are before His Britannic Majesty's Government for the transfer of two of these units to the 'Iraq Army *en bloc* before the end of the year and the disbandment of the third during the year. It is, therefore, evident that whilst I have tried to steer a middle course in the preparation of these Estimates, whereby the figure of Rs. 49,50,000 has been evolved, the eventual cost of the Force is entirely dependent upon the decision which will be reached in the matter of the future defence policy of 'Iraq, which is now receiving the consideration of His Britannic Majesty's Government.

19. The usual certificate from the Air Officer Commanding that the rates of pay and allowances issued to British Officers, Warrant and Non-Commissioned Officers serving with the 'Iraq Levies are on the same scale as those issued to personnel of corresponding ranks serving with British Army units in 'Iraq is appended to the Estimates.

I have, &c.,
B. H. BOURDILLON.
Acting High Commissioner for 'Iraq.

C. 21602/26.

No. 24.

TREASURY to COLONIAL OFFICE.

SIR, Treasury Chambers, 22nd November, 1926.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Sir John Shuckburgh's letter of the 29th October* and previous correspondence relative to the grant of gratuities on the termination of their appointment to non-regular British Officers, Warrant Officers and Non-Commissioned Officers serving with the 'Iraq Levies.

In reply I am to request you to inform Mr. Secretary Amery that My Lords are pleased to sanction payment of gratuities on the following terms:—

I. Payment to be made on termination of service otherwise than on the grounds of misconduct, insubordination or resignation.

II. The amount of the gratuity to be calculated at the rate of one month's pay for each complete vear of service.

III. Service to be reckoned from the 1st April, 1922, or date of appointment, whichever is the later.

IV. Pay shall mean regimental pay on the date of termination of service, provided the rank has been held for six months, together with additional pay of either 7s. 6d. a day in the case of an officer who has passed the language test or 4s. 6d. a day in the case of an officer who has not passed the test.

V. Gratuities will not be paid to Officers, &c., whose services terminated before the 1st April, 1926.

I am, &c ,
G. L BARSTOW.

C. 21569/26.

No. 25.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 26.]

SIR, Downing Street, 25th January, 1927.

I AM directed by Mr. Secretary Amery to refer to the letter from the Colonial Office of 6th December, 1926,† numbered as above, forwarding a copy of a Confidential

* C 19637/26: not printed † C 21569/26: not printed.

despatch dated 11th November, 1926,* from the Acting High Commissioner for 'Iraq, tion of the Lords Commissioners of theand to transmit to you, for the considera Treasury, the following observations on the Estimates of expenditure on the maintenance of the 'Iraq Levies for which service provision of the sum of £378,400 has been included under Sub-head E in the Estimates of the Vote for Middle Eastern Services for 1927 which was transmitted to the Treasury under cover of Colonial Office letter of 4th November, 1926.†

2. Their Lordships will note that the considerable reductions which have been effected in the provision for this service are mainly attributable to anticipated reductions in the strength of the Force. At the time that these Estimates were framed it was anticipated that the 1st Battalion of the 'Iraq Levies would be transferred to the 'Iraq Army on 1st January, 1927; that the Levy Pack Battery would be disbanded on 31st March, 1927; and that the remaining Cavalry Regiment would be disbanded on 1st October, 1927, with consequential reductions in staff and departmental appointments. The transfer of the Infantry Battalion on 1st January 1927, has not been accomplished and it is now proposed that this transfer shall take effect on 1st February, 1927, while, on the other hand, arrangements are being made for the disbandment of the Pack Battery on 28th February, 1927, instead of on 31st March, 1927.

3. Provision has, however, been included in the draft Estimates for the full pay of officers and non-commissioned officers in respect of five months' leave after the date on which the unit with which they are associated was expected to cease to exist as a part of the Levy Force, while full pay for the native personnel of these units has been allowed for an average entitlement of one month's leave and for two additional months' pay as compensation for premature termination of contract.

4. In connection with the leave pay of officers and non-commissioned officers indicated above, I am to state that, while the increased cost in 1927 due to the postponement of the transfer of the Infantry Battalion to the 'Iraq Army for one month will largely be offset by the earlier disbandment of the Pack Battery, it is not considered that the provision included by the Acting High Commissioner will prove sufficient for the purpose in view of the arrangement sanctioned in Treasury letter No. S. 3275/3 of 18th June, 1924,‡ under which the pay of redundant officers awaiting reabsorption in their British units may remain a charge against Levy funds for a period up to 12 months after the termination of their employment with the 'Iraq Levies. It has been found in practice that in the majority of cases the War Office has not been able to re-absorb such officers at the termination of the leave to which they were entitled and they have consequently remained on Levy pay beyond that date. As regards the provision for compensation to the native ranks I am to state that payment of compensation for the premature termination of contract in previous similar cases was based on two months' pay and it is considered that this basis can be accepted as reasonable In this connection reference is invited to the proposals of the High Commissioner contained in paragraph 4 of Sir H. Dobbs' despatch No. 734 of 12th June, 1924,§ a copy of which was sent to the Treasury on 12th September, 1924, on the occasion of the amalgamation of the second and third Cavalry regiments in 1924 which resulted in the premature discharge of a number of native ranks

5. In view, however, of the suggested disbandment of the Pack Battery on 28th February, 1927, the whole of the leave pay and compensation for the native personnel of this unit, which it is estimated will amount to approximately Rs. 31,000 (say, £2,300), may be expected to come in course of payment during the current financial year, and Mr Amery proposes to communicate with the High Commissioner with a view to securing this. The provision in the draft Estimates for 1927 may therefore prove to be more than will be required for this particular purpose, but, on the other hand, though it is not possible to estimate the probable excess over the provision made by the Acting High Commissioner which may arise owing to the retention of redundant officers on Levy pay beyond the period of five months, as indicated above, it is not unlikely that the over-provision for leave pay and compensation for the native personnel will be absorbed by the continuance of redundant officers on Levy pay, and Mr. Amery accordingly does not consider that any alteration in the total of the Estimates should be made in respect of these items In this connection, however, I am to point out that any payment which may be made during the current financial year in respect of leave pay and compensation in respect of native personnel of the Pack Battery will

* No 23 † No 1 ‡ 29043/24 not printed § 29826/24: not printed.

modify, *pro rata*, the statement of probable savings on the Vote for Middle Eastern Services, 1926, which accompanied Colonial Office letter of 31st December, 1926.*

6. I am to state that Mr. Amery agrees generally with the suggestions of the Acting High Commissioner contained in paragraph 7 and subsequent paragraphs of his Confidential despatch of 11th November, 1926,† and reference is invited to the correspondence noted in the margin on the subject of certain of the matters referred to in those paragraphs. While, however, he will continue to press the High Commissioner to effect any further reductions in the staff engaged in administrative and other duties which may be possible during the financial year 1927, Mr. Amery does not consider it possible at the moment to suggest any further modifications in that staff other than those already proposed by Mr. Bourdillon until experience has been gained of the effect of the reorganisation.

Para.

7 (ii). S. 23514, 3rd May, 1924.‡

7 (iii). S. 29827, 19th Aug , 1926.§

7 (iv). S. 3275/05, 31st Dec., 1924.‖

7 (v). S. 3275/3, 14th Dec., 1926.¶

8. S. 29303, 23rd April, 1926.**

9. S. 29593, 8th June, 1926.††

10. *See* Levy Estimates 1924-25, and S. 22,400 of 1st October, 1924.‡‡

12. S. 3275/02/2, 21st December, 1926.§§

13. S. 3275/02/2, 1st Sept., 1926.‖‖

7. I am at the same time to enclose a copy of correspondence¶¶ which has passed between the Air Ministry, the High Commissioner for 'Iraq and this Department with regard to the abolition of the 116th Animal Transport Company, in which Mr. Amery has concurred, on the recommendation of the Air Council and the High Commissioner, in the arrangements proposed by the Air Officer Commanding 'Iraq, for the performance of the duties previously performed by the Animal Transport Company. These arrangements provide, *inter alia*, that 45 mules and saddlery required to ensure the mobility of the 5 pack wireless sets maintained by the Royal Air Force shall be transferred free to the 'Iraq Levies, who shall be responsible for their maintenance and who will, as hitherto, provide drivers as and when required. The effect of the transfer of these duties will presumably necessitate an increased expenditure on animal rations —estimated, on the basis of the present cost of rations, at Rs. 12,000 per annum approximately—while some additional expenditure may be involved in maintaining the number of mules at the requisite strength for this service, thereby modifying to a certain extent the statement in paragraph 15 of the enclosure to Colonial Office letter of 6th December, 1926.*†

8. No communication has, as yet, been received from the High Commissioner with regard to the hospital at Kaniwatman, but as the construction of this building appears to be a necessity, it is suggested for the favourable consideration of Their Lordships that the provision of Rs. 3,000 included by the Acting High Commissioner should be allowed to remain.

9. The estimate for the gross total expenditure of Rs. 49,50,000 which has been prepared on the basis of the exchange value of the rupee averaging for the year one shilling and sixpence, includes a sum of approximately Rs. 7,17,000 in respect of pay, allowances, etc., issuable in sterling, viz., £53,775, leaving a balance of Rs. 42,33,000 representing expenditure to be incurred in local currency (rupees). A variation of $\frac{1}{4}$d. in the rate of conversion of the rupee would therefore cause a difference of £4,400 in the sterling amount required.

10. I am to state that Mr. Amery is satisfied that the estimated expenditure of the sum of Rs. 49,50,000 for the maintenance of Native Levies in 1927 represents the minimum amount which should be provided for this service in view of (i) the reasons set forth in the Acting High Commissioner's despatch of 11th November, 1926,† and (ii) the additional circumstances indicated above, and he therefore submits for the favourable consideration of the Lords Commissioners of the Treasury that the amount of £378,400 included on the provisional estimate of the Vote for Middle Eastern Services for 1927 should be retained.

I am, &c.,
J. E. SHUCKBURGH.

* C. 22729/26 : not printed. † No. 23. ‡ 21252/24 : not printed. § C. 16153/26 : not printed.
‖ 60944/24 : not printed. ¶ C. 23094/26 : not printed. ** C. 6889/26 : not printed.
†† C. 11724/26 : not printed. ‡‡ 46624/24 : not printed. §§ C. 23524/26 : not printed.
‖‖ C. 16843/26 : not printed. ¶¶ C. 23284/26, C. 40083/27 [No. 1] and C. 40083/27 [No. 2] : not printed. *† 21569/26 : not printed.

C. 40229/27 [No. 1].

No. 26.

TREASURY to COLONIAL OFFICE.

(S. 30600.)

SIR, Treasury Chambers, 7th February, 1927.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Sir John Shuckburgh's letter of the 25th ultimo* further relative to the estimated expenditure on the maintenance of the 'Iraq Levies during the financial year 1927.

In reply I am to request you to inform Mr. Secretary Amery that My Lords are glad to learn the substantial reduction in the provision required and to note from paragraphs 15 and 16 of Mr. Bourdillon's despatch of 11th November, 1926,† the policy of the High Commissioner with regard to the purchase of supplies and to expenditure generally during the transition period of absorption or disbandment of individual battalions. They note the variations in the dates of the changes already arranged, and that they are to some extent compensatory in financial effect.

In view of the considerations adduced in paragraph 4 of the letter under reply with regard to the charge for the pay of officers awaiting reabsorption in British units, My Lords concur in Mr. Amery's proposal not to amend the total of the Estimate in respect of the possible maturity during the current financial year of terminal charges in respect of the Pack Battery, as discussed in paragraph 5.

My Lords are prepared to agree with the Secretary of State that for Estimate purposes the suggestions of the High Commissioner on reduction of staff may be accepted, but They note that on further experience additional reductions in administrative staff may be possible. They also concur in the arrangements consequent on the abolition of the 116th Animal Transport Company and the transfer of equipment from the Royal Air Force to the Levies, and They raise no objection to the retention of the provision of Rs. 3,000 for the Kaniwatman Hospital.

My Lords are accordingly pleased to approve the Estimates as submitted and to sanction the provision of £378,400 under Sub-head E of the Estimate for Middle Eastern Services, 1927.

I am, &c.,
G. L. BARSTOW.

C.40197/27 [No. 7].

No. 27.

'IRAQ.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(No. 314.)

SIR, Downing Street, 28th March, 1927.

I HAVE the honour to acknowledge the receipt of your despatches No. 219 of the 10th of February‡ and No. 260 of the 17th of February,§ regarding the conditions governing the grant of gratuities, on the termination of their appointments, to non-regular British Officers, Warrant Officers, and Non-Commissioned Officers serving with the 'Iraq Levies.

2. After consultation with the Lords Commissioners of the Treasury, I approve the recommendation put forward in your despatch of the 17th of February that the gratuities should be payable in respect of a portion of a year's service in addition to each completed year of service on the basis laid down in Section 13 of Schedule IV to the British Officials Agreement. I also agree, in view of the considerations set forth in your despatch of the 10th of February, that an Officer or Non-Commissioned Officer who resigns from the Force but who is otherwise eligible for a gratuity in accordance with the conditions laid down in my despatch No. 1167 of the 30th of November, 1926,‖ shall be granted a gratuity, provided that you are able to certify that the service will not be inconvenienced by his resignation. The conditions referred to above should be amended accordingly.

I have, &c.,
L. S. AMERY.

* No. 25. † No. 23. ‡ C. 40197/27 [No. 3] : not printed.
§ C. 40197/27 [No. 4] : not printed. ‖ C. 21602/26 : not printed.

Sub-head F. Native Levies—Disability Compensation.

C. 18538/26.

No. 28.

COLONIAL OFFICE to TREASURY.

[*Answered by No. 29.*]

SIR, Downing Street, 25th October, 1926.

I AM directed by Mr. Secretary Amery to address you with regard to the provision to be made in the Vote for Middle Eastern Services for the year 1927 to meet disability compensation and retired pay to British Officers and men lately serving with the 'Iraq Levies and to state that, subject to the concurrence of the Lords Commissioners of the Treasury, he proposes to insert a sum of £600 for this service.

This provision is required (*a*) to meet awards which it is anticipated will come in course of payment in 1927, in respect of the cases noted below, and (*b*) to provide a small margin for contingencies.

(i) *Lieutenant-Colonel E. C. T. Minet, D.S.O., M.C.*

£150 Treasury sanction has been given for the payment to this officer of retired pay at the rate of £150 per annum to 18th March, 1927 (Treasury letter No. S.23929 of 17th April, 1926),* but it is anticipated that provision for this pay will be required throughout 1927.

(ii) *Sergeant C. Wyse.*

A letter was addressed to the Treasury on 19th October, 1926,† with regard to the extension of the award of a disability pension to Mr. Wyse at the rate of 16s. 3d. a week for a further period of 12 months from 28th October, 1926. I am to suggest, however, that provision should be made in the Vote for Middle Eastern Services for 1927 for this pension for the

£43 whole year (£43).

(iii) *Lieutenant J. E. Griffith.*

Reference is requested to Colonial Office letter to the Treasury of 16th September, 1925,‡ and Treasury letter S. 27751 of 15th October, 1925.‡

£114 Provision is required for sums of £90 and £24 in respect of compassionate allowances to the widow and child.

(iv) *Captain T. Tyrwhitt Drake, M.C.*

This officer was retired from the Army on the ground of ill-health from 28th April, 1926, following an accident sustained whilst serving with the 'Iraq Levies, and was awarded retired pay at the rate of £142 a year and a temporary disablement addition of £100 a year from 28th April, 1926, to 17th January, 1927, subject to review thereafter in the light of further medical evidence. A copy of the letter from the War Office dated 3rd May, 1926,§ notifying the above award and stating that the disablement addition at £100 per annum is payable by the Colonial Office, was forwarded to the Treasury by this Department on 28th May, 1926.§ In view of the nature of the dis-

£100 ability (fracture. spine) it is considered that provision should be made for the continuance of the award at £100 per annum for the year 1927.

£407 In order to meet further cases should they arise, I am to suggest that

£193 a further sum of £193, making a total of £600 in all, should be provided under this Head.

£600

I am, &c.,

J. E. SHUCKBURGH

C. 20335/26.

No. 29.

TREASURY to COLONIAL OFFICE.

(S. 30506.)

SIR, Treasury Chambers, 30th October, 1926.

IN reply to Sir John Shuckburgh's letter of the 25th October,‖ I am directed by the Lords Commissioners of His Majesty's Treasury to request you to inform Mr. Secretary Amery that My Lords sanction the proposal to insert a sum of £600 in the Estimates for Middle Eastern Services, 1927, to meet disability compensation and retired pay to British Officers and men lately serving with the 'Iraq Levies.

I am, &c.,

G. L. BARSTOW.

* 16097 Middle East; not printed. † C.F. 3103/26: not printed.
‡ 19648 Middle East: not printed. § 15271 Middle East: not printed. ‖ No. 28

Sub-head G. British Officials' Compensation.

C. 20121/26.

No. 30.

COLONIAL OFFICE to TREASURY.

[*Answered by No. 31.*]

SIR, Downing Street, 1st November, 1926.

I AM directed by Mr. Secretary Amery to transmit to you, for the information of the Lords Commissioners of the Treasury, a copy of a telegram* which has been received from the Acting High Commissioner for 'Iraq with regard to the provision required to be made in the Vote for Middle Eastern Services for 1927 in connection with the following sub-heads, viz.:—

(*a*) Contribution in respect of High Commissioner, Salaries and Expenses,
(*b*) Maintenance of Native Levies, and
(*c*) British Officials—Compensation.

2. Pending receipt of the detailed Estimates which the Acting High Commissioner states are being forwarded, provision is being inserted in the Estimate for Middle Eastern Services for 1927 on the basis of the information contained in the enclosure, viz.:—

(*a*) Rs. 3,37,500 at 1s. 6d.	=	£25,312	10	0	...	say	£25,500
(*b*) Rs. 49½ lakhs at 1s. 6d.	=	£371,250	0	0	...	say	£371,400
Add estimated cost of gratuities to non-regular British Officers, Warrant Officers and Non-Commissioned Officers—*vide* Colonial Office letter to Treasury of 29th October, 1926,†		...	...	...	...	...	£7,000
							£378,400
(*c*) Rs. 25,000 at 1s. 6d.	=	£1,875	0	0	...	say	£2,000

3. A further communication will be addressed to Their Lordships on receipt of the detailed Estimates from 'Iraq.

I am, &c.,

J. E. SHUCKBURGH.

C. 40177/27 [No. 5].

No. 31.

TREASURY to COLONIAL OFFICE.

(E/15807.)

SIR, Treasury Chambers, 8th February, 1927.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Sir John Shuckburgh's letter of the 1st November last,‡ relative to the provision to be made for certain sub-heads of the estimate for Middle Eastern Services, 1927.

In reply I am to request you to inform Mr. Secretary Amery that My Lords sanction the provision proposed, viz.: £2,000 for Sub-Head G, British Officials Compensation.

Other sub-heads referred to in the letter under reply have been or will be dealt with separately.

I am, &c.,

G. C. UPCOTT.

* C. 20121/26: not printed. † C. 19637/26: not printed. ‡ No. 30.

Sub-head H. Trans-Jordan Frontier Force.
Sub-head J. Trans-Jordan Administration.

C. 10934/26.

No. 32.

TREASURY to COLONIAL OFFICE.

(S.28724.)

SIR, Treasury Chambers, 26th May, 1926.

I AM directed by the Lords Commissioners of His Majesty's Treasury to advert to Treasury Letter of the 8th February last S.28724* relative to settlement of the debts due by the Palestine Government to His Majesty's Government and the incidence of the cost of the Trans-Jordan Frontier Force and of the Trans-Jordan Grant-in-Aid, and to request that Mr. Secretary Amery will cause to be confirmed the following arrangements which have been made in connection with the Estimates for Middle East Services 1926-27.

I.—His Majesty's Government will provide in 1926-27 as a Grant-in-Aid of the Trans-Jordan Frontier Force 50 per cent. of the cost of the Force up to the 31st March, 1927, including any initial expenditure incurred in 1925-26 by the Palestine Government subject to a maximum contribution of £108,000.

II.—His Majesty's Government will provide in 1926-27 £92,000 as a Grant-in-Aid of the Trans-Jordan Police Force and of the salaries and expenses of the Chief British Representative and his staff subject to approval of the Estimates of the Territory and to the restrictions of issues to the requirements from time to time.

The question of these two Grants-in-Aid will be reviewed annually with a view to an increasing share of the cost of the services falling upon the Palestine Government and to a reduction of the charge upon His Majesty's Exchequer to one-half of the expenses proper to Trans-Jordan.

III.—Upon the release of balances by the issue of the proposed Palestine Guaranteed Loan, the Palestine Government will pay to the Surplus Stores, &c., Liquidation Department, £53,049 5s. 9d. on account of consumable stores, &c., and £47,080 on account of the material taken over from the Kantara-Rafa Railway, together with interest at the rate of 5 per cent. on the amount due, as from the 1st April, 1926.

The deficit in connection with the administration of the "Occupied Enemy Territory (South)," as advised by Treasury letter of the 9th February last (S.14788),† will be payable to His Majesty's Exchequer at the same time.

IV.—The amount of the Guaranteed Loan will be increased by £500,000 to £4,500,000, and, upon the issue of the Loan, the Palestine Government will pay to the Surplus Stores, &c., Liquidation Department, £1,000,000 in respect of the capital assets transferred.

V.—The Imperial contribution in aid of the Gendarmerie in 1925-26 will be regarded as a grant and not as a loan-in-aid as was proposed by Treasury letter of 8th February.*

A copy of this letter has been sent to the Surplus Stores, &c., Liquidation Department.

I am, &c.,
G. L. BARSTOW.

C. 17194/26.

No. 33.

PALESTINE.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 7th September, 1926.)

[*Answered by No.* 34.]

(Confidential A.)

SIR, Government Offices, Jerusalem, 24th August, 1926.

Some twelve months have elapsed since I took up the appointment of High Commissioner for Palestine, which carries with it responsibility for supervision and control of the Government of Trans-Jordan, and it may be appropriate if I submit briefly my appreciation of the general situation as between the two countries consequent upon, and in relation to, the policy laid down for their administration and Government.

* C. 3148/26: not printed. † C. 3315/26: not printed.

The important point which seems to me to be sometimes lost sight of is the fact that in assuming the responsibilities conferred on them by the Mandate, His Majesty's Government deliberately differentiated between the methods to be adopted in the administration of the two countries.

It might have been possible at that time to have evolved a system more or less adapted to them both, and thereby welded them together gradually into a union under a single administration. I do not think such a course would have been practicable then; it is certainly not practicable now, and any attempt in that direction would, I am sure, be fraught with danger and lead to very serious consequences.

I appreciate, however, that His Majesty's Government have no intention of attempting anything like a political union, and that the development of Palestine and Trans-Jordan must proceed on distinctly different lines in accordance with the principles laid down in Command Paper 1785 of 1922.

As is the case in all new countries, or in those in which a new régime has been established, there are certain factors which should precede, and then act as stepping stones towards, political autonomy and responsible self-government; these being:—

Public security,
Financial stability,
Steady and sustained economic progress,
Education in administration.

In these matters the standard attained and the stage of progress reached is quite different in the two countries.

In Palestine there is throughout the country complete public security; law and order prevail as certainly as in other civilised countries. The troubles in Syria have demonstrated the capabilities of the Police Force to deal with any troubles on the frontier, and I have no hesitation in saying that even if Trans-Jordan were in a similar state of disturbance they would be able to protect the lives, property, and interests of the people of Palestine without any extraneous aid.

The financial situation can justly be described as "stable"; there is a substantial surplus of revenue over expenditure, sufficient to undertake works and measures for the improvement of the country, and the outstanding debts to the Imperial Treasury are being steadily paid off.

Economic progress is certainly "sustained" though subject to the ebb and flow inevitable in newly established communities. This progress is accelerated by the yearly influx of Jewish capital and intelligence and at the same time retarded frequently owing to the racial opposition aroused by this influx. The progress cannot be described as "steady" because efforts are being concentrated on hastening it unduly, efforts which could be directed better in consolidating each step before the next is taken.

But the situation with regard to these two essential factors is such as to justify, indeed to demand, practical education in administration. This is being initiated by the establishment of Municipalities on an elective basis by which there will be impressed on the electors the importance of exercising the franchise so as to secure as their representatives the men who will serve their interests best, and on those elected the knowledge that they will only retain their position if they fulfil their responsibilities properly, and further, that they can only carry out their duties by study, and work performed in an upright manner to the best of their ability.

I think Palestine, notwithstanding all the racial and religious difficulties imposed on her and the complex problems they involve, is on right lines, and the next few chapters of her history should record periods of prosperity. But this prosperity will not be attained, or if apparently attained, will not be permanent if attempts are made to hasten developments unduly in any direction.

It requires patience to create an atmosphere between the two races, Arabs and Jews, first of toleration and then of good will, and it is only within such an atmosphere that real progress can be "steady" and "continuous."

The situation in Trans-Jordan is altogether different.

It cannot be said that public security is established at all firmly so that the lives and property of the people are safe either from internal disorders or external aggression. The finances of the country are far from being stable and it will be many years before the country can be self-supporting.

As regards economic progress the people are in their infancy, and for education in administration they have had to rely chiefly on themselves.

And yet, backward as they are in all these matters, they have been accorded a degree of political autonomy and self-government far more advanced than their neighbours in Palestine will attain to for some years.

By force of circumstances the Administration of Trans-Jordan has started on wrong lines, but the conditions have been definitely fixed, it is neither practicable nor desirable to alter them, and the problem is how to attain the desired results from them.

The Amir, his Ministers, and the leading men in the country realise that public security must be the first consideration, and are supporting the measures taken for this object by the various British officials. These measures are a source of considerable expense which falls for the time being on the British taxpayer, but they are essential if the responsibilities imposed on us as the Mandatory Power are to be fulfilled, and the experiences of the neighbouring territory of Syria provide sufficient evidence of the results which may follow any failure or shortcomings in this direction.

Given even a fair measure of public security measures must be taken to improve the stability of the finances of the country. It is a striking illustration of the different procedure which obtains between Palestine and Trans-Jordan that whereas in the former country, where no Grant-in-Aid is given from the Imperial Treasury, the accounts of every Government Department are subject to strict audit; in the latter the audit is limited to the services for which the Imperial Grant-in-Aid is provided, although it is obvious that the amount which has to be provided by the British taxpayer as a Grant-in-Aid must depend on the manner in which the resources of the country are exploited and the revenues obtained from them controlled It is clear to my mind that the amount of the Grant-in-Aid should be made conditional on the accounts of the several Government Departments being subject to audit by officials of the Imperial Government. This would do much to stabilise the finances, and thereby, under the cover of public security, pave the way for the initial stages of economic development.

It would, further, be instrumental in bringing home to Ministers, Heads of Departments, and other officials their responsibilities in connection with the expenditure of public money, and would be the means of giving to them practical education in administrative duties—education they are sorely in need of.

But any measures adopted to further the development of Trans-Jordan must not be carried out at the expense of the taxpayers of Palestine.

Palestine can, and should, help by sending to Trans-Jordan as occasions arise or opportunities offer men with special expert or technical knowledge and experience for counsel and advice, but this should be done in such a way that the services of Palestine do not suffer, and no expense, direct or indirect, should be involved.

If there was a Constituent Assembly in Palestine with control over the country's finances, they would either refuse to make any monetary contribution to assist Trans-Jordan, or would make it a condition of such contribution that they had certain power of control over the finances of the latter.

It is quite certain that any attempt to coerce the Palestinian taxpayer to make payments to assist the people of Trans-Jordan will cause bitter resentment on both sides, and, even if no more untoward results follow, will certainly retard progress in both countries.

It is not fair either to Palestine or Trans-Jordan to couple the two countries together as is so often done: it is misleading, and is the cause of much misapprehension on the part of what may be called the "public," who do not, in consequence, understand that the situation in the two countries and the conditions under which those responsible for their administration are striving for their development are entirely different.

But there is one matter applicable to both countries which should be impressed at every opportunity upon all who possess or claim administrative authority, viz., that political advancement, either individual or collective, is not the goal of itself, but is only a means for promoting the welfare and prosperity of the people, and that it is by the standard attained in these matters that rulers and administrators are judged.

I have, &c.,
PLUMER, F.M.,
High Commissioner

C. 17194/26.

No. 34.

PALESTINE.

THE SECRETARY OF STATE to THE OFFICER ADMINISTERING THE GOVERNMENT.

(Sent 12.30 p.m., 25th September, 1926.)

TELEGRAM.

[*Answered by No.* 36.]

No. 268. CONFIDENTIAL. Your despatch Confidential A 24th August,* I have read with great interest your very clear and able appreciation of Palestine-Trans-Jordan situation. I will give careful consideration to all points raised. Meanwhile I feel bound to comment at once on one point as to which your views appear to be divergent from those of His Majesty's Government, viz., question of contribution from Palestine revenues towards cost of Trans-Jordan. This question arose here in March last when incidence of cost of Frontier Force was under discussion with Treasury. I then accepted principle, after personal discussion with Chancellor of Exchequer, that Palestine should bear not only whole cost of Palestine defence proper, but also half cost of Trans-Jordan defence and half Trans-Jordan Grant-in-Aid, this position to be reached as soon as possible, if not in 1927. Agreement was subsequently embodied in Treasury letter of 26th May,† copy enclosed in my despatch Confidential A of 25th June.‡

In my discussions with Chancellor I had before me your Confidential telegram 52 of 20th February last§ in which you recognised that Palestine had substantial interest in preservation of order in Trans-Jordan. You will understand that I could not contemplate going back on my agreement with Chancellor or reopening question of principle with Treasury. Point will arise in practical form in connection with provisional Estimates of Middle Eastern Services for next year which will have to be submitted to Treasury very shortly. It is certain that Treasury will expect Palestine to bear half cost of Frontier Force for 1927-28 as in current year. It is more than probable that they will ask for some additional contribution from Palestine revenues as a further step towards implementing agreement of March last. I should be glad to have your recommendations on this point as soon as possible.—AMERY.

C. 20178/26.

No. 35.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 38.]

SIR, Downing Street, 2nd November, 1926.

I AM directed by Mr. Secretary Amery to transmit to you, for the information of the Lords Commissioners of the Treasury, a copy of a telegram‖ which has been received from the High Commissioner for Palestine regarding the provision required to be made in the Vote for Middle Eastern Services for 1927 under the following heads, viz.:—

Trans-Jordan Frontier Force (Grant-in-Aid),
and
Contribution to Trans-Jordan Administration (Grant-in-Aid).

Pending receipt and consideration of the despatch promised by the High Commissioner provision has been inserted in the Estimate for Middle Eastern Services on the basis of the information contained in the telegram, namely,

Trans-Jordan Frontier Force (Grant-in-Aid)—	
Recurrent expenditure	£E152,000
Ma'an construction carried over from 1926	£E 20,000
Tentage for three companies not accommodated in permanent barracks and one company at Ma'an pending occupation of new construction (£E2,750) ...	£E 3,000
	£E175,000

* No. 33 † No. 32. ‡ C. 10891/26: not printed. § No. 7 in Middle East No. 6.
‖ C. 20178/26: not printed.

In accordance with the arrangements indicated in Treasury letter of 26th May, 1926 (S. 28724),* provision has been made for one moiety of the cost of the Force as shown above, £E87,500, say, £90,000.

I am to add that the question of accommodation for the units of this Force stationed at Amman is dependent on a decision on the proposals made for the transfer of Air Headquarters from Amman to Ziza. Should these proposals not be sanctioned, it may well prove to be necessary to provide for construction of barracks at Amman in 1927, in which case further provision will be necessary.

Contribution to Trans-Jordan Administration (Grant-in-Aid), £E68,000, say, £70,000.

I am to add that a further communication will be addressed to Their Lordships on receipt of Lord Plumer's detailed proposals.

I am, &c.,
J. E. SHUCKBURGH.

C. 20734/26.

No. 36.

PALESTINE.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 8th November, 1926.)

[*Answered by No.* 37.]

(Confidential.)

SIR, Government Offices, Jerusalem, 27th October, 1926

I BEG to refer to your confidential telegram No. 268 of the 25th of September,† in reply to my Confidential despatch A of the 24th of August‡ on the subject of the relative situation of Palestine and Trans-Jordan.

2. I regret that my views are not wholly in accordance with those of His Majesty's Government on the question of contribution from Palestine revenues towards the cost of Trans-Jordan.

3. A I have stated in my despatch under reference I hold the view that it is neither just nor politic to regard Trans-Jordan as dependency of, or an annexe to, Palestine, and to levy contributions from the latter in support of the former based on that principle.

4. I gather, however, from your telegram under reply and from other correspondence on the subject that His Majesty's Government do not regard the relative position of the two countries in that light, but they consider that Palestine has material interest both in the preservation of order in Trans-Jordan and in its economic development and that it is consequently equitable that she should contribute towards both objects. In that case it is a matter for careful consideration to what extent it is justifiable, and how far it is to their interest, to mulct the taxpayers of Palestine for what may be described as an "insurance" in the one case and an "investment" in the other.

5. If I may again refer to my despatch of the 24th August, I wish to emphasize my contention that as there is no Constituent Assembly in Palestine it is especially incumbent on those responsible for its government as trustees for the people to guard their interests very jealously, having in view the fact that their opinions cannot find expression through their elected representatives. I feel confident that that point of view is appreciated and endorsed by His Majesty's Government.

6. As regards "insurance" as a contribution to ensure public security I have stated that in my opinion Palestine, now that the police force has been reorganised and augmented (at a very high cost), is practically secure, no matter what may happen in Trans-Jordan and other adjoining territories. It is, however, conceivable that unforeseen circumstances might arise which would compel the Government of Palestine to take special measures for the protection of the country and its inhabitants, and any such measures would necessarily involve additional and perhaps considerable expenditure. On those grounds the Government of Palestine might be justified in acquiescing in a proportion of the cost of the Trans-Jordan Frontier Force being defrayed from their revenue, as was done last year; and having in view the financial situation in Great Britain I am prepared on behalf of the Government to acquiesce in the share for the financial year 1927-28 being again one-half.

* No. 32. † No. 34. ‡ No. 33.

7. What may be described as the "investment" contribution, *i.e.*, any contribution towards balancing the Trans-Jordan expenditure and revenue, even if it is veiled under the suggestion that it is to be expended on the cost of the Trans-Jordan police and therefore for public security, is in a different category. It is certainly in the interests of Palestine that the finances of Trans-Jordan should be on a sound basis and that its people should be able to develop the natural resources of the country, but the financial situation in Palestine is not such as to justify a diversion of a portion of its revenue to another country from which it may in the future derive indirect advantages inasmuch as such diversion must involve abandonment or postponement of services which are urgently required for its own development.

8. In my telegram No. 52 Confidential of the 20th February, 1926,* to which you refer in your telegram under reply, I explained the demands which were being put forward at the time for the utilisation of any surplus balances of Palestine revenue and the natural expectation that such balance would at any rate be expended on services which would be of value to the people of the country. At the present time the financial situation is not so flourishing as it was then: Jewish immigration and the consequent influx of capital has decreased and a severe outbreak of cattle plague has involved the Government in expenditure which could not be foreseen.

9. As will be explained in a separate despatch it has been found necessary to curtail the funds allotted to Extraordinary Public Works and to postpone several important services. The public are fully aware of this and it is certainly not a time to incur avoidable extraneous expenditure.

10. While adhering to the personal opinion expressed in my despatch of the 24th of August† that the finances of Palestine and Trans-Jordan should be kept distinct, I trust most earnestly that if His Majesty's Government dissent from that view they will agree that any contribution levied from Palestine for the assistance of Trans-Jordan should be considered as temporary, to be reviewed from year to year, and that for the financial year 1927-28 the amount will be limited to one-half of the cost of the Trans-Jordan Frontier Force.

11. It is unnecessary, I hope, for me to say that any decision His Majesty's Government may come to will be carried out loyally, but I trust they will bear in mind that the Palestine Government have to account for their stewardship to the people of the country, and I submit most respectfully that it is a matter of real concern that any arrangement on a matter of such importance should be one which they feel to be equitable and just.

I have, &c.,
PLUMER, F.M.,
High Commissioner.

C. 20734/26.

No. 37.

PALESTINE.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Confidential.)

MY LORD, Downing Street, 16th December, 1926.

I HAVE the honour to refer to Your Lordship's Confidential despatch of the 27th of October,‡ regarding the incidence of cost of the Trans-Jordan Frontier Force and of the Trans-Jordan Grant-in-Aid.

2. I appreciate the circumstances, summarised in paragraph 8 of your despatch, which have adversely affected the financial situation of the Palestine Government. I have already caused to be prepared, and forwarded to the Treasury for consideration, the draft Estimates for Middle Eastern Services for the next financial year (1927-28). These draft Estimates are framed on the assumption that the Palestine Government will bear half the cost of the Trans-Jordan Frontier Force for the year, but that no contribution will be made from Palestine funds towards the Grant-in-Aid to Trans-Jordan revenues. Under this arrangement the contribution of the Palestine Government for the year 1927-28 will be that recommended in paragraph 10 of your despatch.

3. It is my hope that the Lords Commissioners of the Treasury will approve the draft Estimates in the form in which they have been submitted. In that event, no

* No. 7 in Middle East No. 6. † No. 33. ‡ No. 36.

practical difficulty will arise, in so far as relates to the coming financial year; and it will be possible to reserve for future consideration, as and when it may be desirable, the questions of principle raised in your despatch. In the meantime, I take note of the view which Your Lordship has expressed.

I have, &c.,
L. S. AMERY.

C. 44102/27 [No. 1].

No. 38.

TREASURY to COLONIAL OFFICE.

[*Answered by No.* 44.]

(S.28724.)

SIR, Treasury Chambers, 12th January, 1927.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Sir J. Shuckburgh's letter of the 2nd November last* regarding the provision proposed in the Middle Eastern Services Estimate for 1927 for the Trans-Jordan Frontier Force and for the Grant-in-Aid of Trans-Jordan Administration, and I am to request you to convey to the Secretary of State for the Colonies the following reply.

My Lords observe that on the basis of a telegram received from the High Commissioner for Palestine provision is proposed of sums of £90,000 and £70,000, respectively representing one-half of the estimated cost of the Trans-Jordan Frontier Force and the whole of the assistance required by the Trans-Jordan Administration. They are glad to note that this provision shows a decrease on the amounts provided in the current year. and They will be prepared to sanction some provision for the services in question, but They are not satisfied that some progress is not now possible towards the position envisaged by the second paragraph of Part II of Treasury letter of 26th May last (S.28724).†

My Lords have also before Them Lord Plumer's despatch of 27th October‡ enclosed in your letter of the 17th ultimo.§ While this despatch accepts the contention of His Majesty's Government that Palestine is vitally interested in the preservation of order in Trans-Jordan and in its economic development, and is prepared to contribute to the cost of defence and tranquility across the Jordan, the actual proposal made in the despatch is to limit the contribution for 1927-28 to one-half of the cost of the Trans-Jordan Frontier Force as in 1926-27.

My Lords cannot but view this proposal as inadequate. They have agreed with the Secretary of State for the Colonies that the Grants-in-Aid should be reviewed annually with a view to an increasing share of the cost falling on Palestine and to a reduction of the charge of His Majesty's Exchequer to one-half of the expenses proper to Trans-Jordan, and on the information before Them They are not prepared to accept the continuance of the 1926-27 basis.

My Lords recall that it has been suggested in the House of Commons that the cost of the Imperial Forces assigned for the defence of Palestine should be borne by the local Government, but, subject to a satisfactory settlement on the question of Trans-Jordan, They agree with the Secretary of State that this expense should continue for the present to be borne by Imperial Funds. They feel compelled to ask, however, that a determined effort should be made to reach in 1927-28 the agreed settlement with regard to other forces.

There is an obvious difficulty in allocating precisely the shares of Palestine and Trans-Jordan in the services of the Trans-Jordan Frontier Force, but Their Lordships suggest that it would be reasonable to fix them at two-thirds and one-third respectively. On this basis the terms of the Agreement would result in five-sixths of the total cost being borne by Palestine, and Their Lordships suggest that the provision on the draft Imperial Estimates should be reduced from one-half (£90,000) to one-sixth (£30,000) of the cost accordingly.

My Lords have not yet been furnished with the detailed estimates for Trans-Jordan, but They judge from the reduction in the proposed Grant-in-Aid that provision is required solely for the cost of the Trans-Jordan Police or a part thereof, and that all other expenses will be borne by local revenues. In any case, under the agreement between Their Lordships and the Secretary of State, one-half of the necessary Grant-in-Aid falls to be met by Palestine as soon as funds are available, and They suggest that

* No. 35. † No. 32. ‡ No. 36 § C. 20734/26: not printed.

there is no reason why this position should not be reached in 1927-28, the provision in the draft Imperial Estimates being reduced from £70,000 to £35,000 accordingly.

In making these proposals My Lords have had regard to the financial position of Palestine, which, from the returns to 30th September last, appears to continue to be satisfactory.

I am, &c.,
G L. BARSTOW.

C. 44102/27 [No. 3].

No. 39.

PALESTINE.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 3.45 p.m., 25th January, 1927.)

TELEGRAM.

[*Answered by No.* 46.]

No. 14. CONFIDENTIAL. My despatch of the 16th December Confidential.* Treasury refuse to agree to draft 1927-28 Middle Eastern Services Estimates in their present form. They regard as inadequate proposal that Palestine contribution should be continued on 1926 basis and ask for my agreement with Chancellor of Exchequer (see my telegram No. 268 of the 25th of September)† to be implemented in 1927. Details of Treasury proposals are given in their letter of 12th of January‡ of which copy was sent to you in Shuckburgh's letter of 20th of January.§ I shall be glad to receive your comments as soon as possible after its receipt. You will understand that I could not contemplate reopening with Treasury question of principle settled by my agreement with Chancellor. Nor do I think it wise to contest basis which Treasury suggest for allocation of cost of Frontier Force between Palestine and Trans-Jordan. If their present suggestion is not accepted, it is possible that the Treasury would propose an alternative method of allocation, such as an allocation based on the revenues of Palestine and Trans-Jordan, which would be still less favourable to Palestine and might be even more difficult to resist. Alternatively, the Treasury might ask that Palestine should pay a military contribution towards cost of Imperial Forces in Palestine similar to that paid by the Governments of Colonies where there is an Imperial Garrison. Such a contribution would probably be substantially in excess of the amount which Treasury now suggest should be paid from Palestine funds.

For these reasons I propose, subject to your concurrence, not to contest the Treasury proposals in principle but to argue that, having regard to the present financial position of Palestine and in particular to her commitments under the forthcoming Loan, it is unreasonable to expect her to reach in one year the final position contemplated by my Agreement with the Chancellor. Treasury would be informed that every possible effort will be made to implement that Agreement in full by the year 1929-30, the additional liability thereby imposed on Palestine being taken over in an increasing degree during each of the next three years. As a first step to this end I consider that Palestine should, in 1927-28, bear £110,000 out of a total estimated expenditure of £180,000 on the Frontier Force and should make a contribution of £10,000 towards the Trans-Jordan civil deficit.

In the negotiations with the Treasury it would be made clear that the foregoing proposals would tax the financial resources of Palestine to the utmost and that if they are adopted there can be no question of calling on Palestine to defray in addition any part of the cost of the Air Force and other British Forces in Palestine or Trans-Jordan.

In arriving at these conclusions I have given careful consideration to the arguments advanced in your despatch of the 27th of October Confidential.‖ I realise that proposals which I have made are open to political objection, but I am convinced that they represent the most favourable treatment which Palestine can hope to obtain from the Treasury, and I trust that in the circumstances you will be prepared to concur in the action which I propose. You will realise that Chancellor of Exchequer is faced with grave financial difficulties in framing Budget as a consequence of last year's industrial trouble.—AMERY.

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* No. 37. † No. 34. ‡ No. 38. § C. 44102/27 [No. 2]: not printed.
‖ No. 36.

C. 44102/27 [No. 7].

No. 40.

PALESTINE.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 1.15 p.m., 6th February, 1927.)

TELEGRAM.

[*Answered by No.* 41.]

No. 16 OF 6TH FEBRUARY. Confidential. Your telegram of 4th February No. 19.* Despatch is being forwarded Lord Plumer, in bag posted 4th February, proposes Palestine contribution of £E126,556 representing two-thirds of total estimate cost Trans-Jordania Frontier Force, and request that Imperial Grant-in-Aid of £E75,478 for Frontier Force plus £E64,522 for deficit Trans-Jordania Budget, say £143,500.

C. 44102/27 [No. 8].

No. 41.

PALESTINE.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 6.30 p.m., 7th February, 1927.)

TELEGRAM.

[*Answered by No.* 42.]

No. 20. YOUR telegram 16 of 6th February.† I do not understand figures for Frontier Force. If total cost is now increased from £E175,000 (see your telegram 27th October, No. 307‡) to £E126,556 plus £E75,478, total £E202,034, what is explanation of increase? Is it on account of buildings at Amman?

If Palestine is prepared to pay two-thirds cost, their share should apparently be £E134,700. Grant-in-Aid figures would then be £69,000 for Frontier Force and £66,000 for Trans-Jordan Deficit. If you agree, I am prepared to put to Treasury accordingly.—AMERY.

C. 44102/27 [No. 11].

No. 42.

PALESTINE.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 4.31 p.m., 8th February, 1927.)

TELEGRAM.

No. 18. 8TH FEBRUARY. Your telegram of 7th February, No. 20,§ Middle East Services. Cost of Frontier Force is as follows:—

Recurrent £E161,835, Extraordinary expenditure Headquarters Amman £E25,000, Tents £E3,000, totalling £E189,835. In addition there is revote on buildings at Ma'an of £E24,400. Lord Plumer has asked that the Middle East Services provide one-third of Frontier Force, that is, £E63,278, together with one-half revote on buildings at Amman, that is, £E12,200; also Trans-Jordania deficit, which stands at present at £E68,000, but may be reduced by certain economies to £E65,000 approximately. Total provision, therefore, should be £E140,000 on basis of reduced Civil deficit of Trans-Jordania.

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* C. 44102/27 [No. 5]: not printed. † No. 40. ‡ C. 20178/26: not printed. § No. 41.

C. 44102/27 [No. 10].

No. 43.

PALESTINE.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 11.10 a.m., 10th February, 1927.)

TELEGRAM.

No. 19 OF 10TH FEBRUARY. Your telegram of the 9th February, No. 23,* Middle East Services. Deficit given in my telegram of 8th February, No. 18,† is deficit of revenue under expenditure, and assumes the surrender of £E29,000 anticipated surplus balance 1926-27. If this balance is not surrendered, deficit will be reduced by corresponding amount. Please observe that anticipated surplus of £E29,000 is based on receipt of full Grant-in-Aid 1926-27.—PLUMER.

C. 44102/27 [No. 12].

No. 44.

COLONIAL OFFICE to TREASURY.

SIR, Downing Street, 10th February, 1927.

WITH reference to your letter of the 12th January, 1927, No. S.28724,‡ regarding the provision proposed in the Middle Eastern Services Estimate for 1927 for the Trans-Jordan Frontier Force and for the Grant-in-Aid of Trans-Jordan Administration, I am directed by Mr. Secretary Amery to transmit to you, for the information of the Lords Commissioners of His Majesty's Treasury, a copy of a telegram† which has been received from the High Commissioner for Palestine on the subject.

2. Their Lordships will observe that the provision which the High Commissioner now suggests should be included in the Vote for Middle Eastern Services in respect of the Trans-Jordan Frontier Force has been considerably amended, and is based on a total expenditure composed as follows:—

	£E
Recurrent Expenditure	161,835
Extraordinary Expenditure, Headquarters, Amman ...	25,000
Tents	3,000
	£E189,835

in addition to a revote on buildings at Ma'an of £E24,400. It will be observed that Lord Plumer has now offered to bear on Palestine funds two-thirds of the cost—apart from the carry-over from 1926, when one moiety only was chargeable to Palestine funds—of the Frontier Force in 1927. Mr. Amery considers that the High Commissioner's proposal is a reasonable one, and represents the fullest advance that the Palestine Government can be expected to make for the present, in the direction agreed upon last year.

3. He would accordingly recommend that the amount of the Grant-in-Aid for this service should be limited to one Head of the total expenditure, viz., £E63,278 together with one-half of the revote on buildings, viz., £E12,200, making a total of £E75,478 or, say, £77,000.

4. It is understood that a despatch on the subject of the revised figures now suggested has been addressed to the Secretary of State by Lord Plumer, who is at present on leave in Egypt; but in view of the delay which will occur before the despatch can be received and of the necessity for the early closing of the Estimates, I am to ask that Their Lordships may be pleased to agree to the insertion of a sum of £77,000 in the Vote for Middle Eastern Services for the financial year 1927 as a Grant-in-Aid of the Trans-Jordan Frontier Force.

5. I am to add that a further telegram has been addressed to the High Commissioner for Palestine with regard to the provision required for the British contribution towards Trans-Jordan Administration, and a further communication will be addressed to you on receipt of his reply.

I am, &c.,
J. E. SHUCKBURGH.

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* C. 44208/27 [No. 2]: not printed. † No. 42. ‡ No. 38.

C. 44102/27 [No. 13].

No. 45.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 47.]

SIR, Downing Street, 10th February, 1927.

I AM directed by Mr. Secretary Amery to refer to the telegram of 8th February, 1927,* from the High Commissioner for Palestine, a copy of which was enclosed in the Colonial Office letter of 10th February, 1927,† numbered as above, regarding the provision required to be made in the Middle Eastern Services Estimates for 1927 for the Trans-Jordan Frontier Force, and to transmit to you, for the information of the Lords Commissioners of the Treasury, a copy of a further telegram‡ which has been received from the High Commissioner for Palestine, with regard to the Grant-in-Aid of the Trans-Jordan Administration.

2. Their Lordships will observe from the telegrams indicated above that the estimated excess of expenditure over the revenue of Trans-Jordan in 1927 is, at present, stated to be £E68,000 but the High Commissioner for Palestine considers that by certain economies this deficit may be reduced to £E65,000 approximately, say £66,000 sterling. No details have been received from the High Commissioner showing how this figure has been arrived at.

3. According, however, to information which has been received in a statement showing the position of Trans-Jordan Revenue and Expenditure as at 31st March, 1927, furnished by Lord Plumer, the Chief British Representative in Trans-Jordan anticipates that there will be a surplus balance of £E29,000 in respect of 1926, and the figures indicated above in respect of the deficit in 1927 are based on the assumption that this surplus balance will be surrendered. This surplus balance, however, is only expected to arise if the full amount of the Grant-in-Aid of the Trans-Jordan Administration provided in the Middle Eastern Services Vote for 1926, viz., £92,000, is paid over before 31st March next.

4. As, however, the sum of £66,000 has already been issued, Mr. Amery proposes to issue no further sum before 31st March next and to reduce the amount asked for by Lord Plumer for 1927, viz., £66,000, by the sum of £4,000.

5. I am to ask, therefore, that Their Lordships may be pleased to agree that the revised sum of £62,000 should be provided under Sub-head J of the Vote for Middle Eastern Services for 1927 for this service. In this connection, I am to state that, on receipt of Their Lordships' letter of 12th January, 1927 (No. S. 28724),§ Mr. Amery immediately consulted Lord Plumer and suggested that the Palestine Government should make some contribution towards the Trans-Jordan civil deficit.

6. Unfortunately, Mr. Amery, owing to Lord Plumer's absence in Egypt, has not yet received the latter's comments on this proposal but, from telegrams which have been exchanged, it appears clear that the Palestine Government feel themselves unable to concur.

7. I am to add that, after receipt and consideration of Lord Plumer's despatch and of the Trans-Jordan Estimates for 1927, a further letter will be addressed to Their Lordships.

I am, &c.
J. E. SHUCKBURGH.

C. 44102/27 [No. 14].

No. 46.

PALESTINE.

THE HIGH COMMISSIONER to the SECRETARY OF STATE.

(Received 14th February, 1927.)

[*Answered by No.* 54.]

(Confidential A.)

SIR, Government Offices, Jerusalem, 3rd February, 1927.

I HAVE the honour to refer to your Confidential telegram No. 14 of the 25th January, 1927.‖ and to the letter No. S.28724 of the 12th January, 1927,§ addressed to the Under-Secretary of State, Colonial Office, by Sir George Barstow on the subject

* No. 42. † No. 44. ‡ No. 43. § No. 38. ‖ No. 39.

of the contributions to be paid by the Palestine Government in respect of the cost of the Trans-Jordan Frontier Force and the Civil deficit anticipated in the Trans-Jordan Estimates 1927-28.

2. The Lords Commissioners of His Majesty's Treasury, on the basis of an approximate expenditure of £180,000 for the Trans-Jordan Frontier Force and a deficit in the Trans-Jordan Estimates of £70,000, propose that provision in the draft Imperial Estimates should be reduced to one-sixth of the cost of the Frontier Force, namely, £30,000, and one-half of the deficit, namely, £35,000, leaving it thus to the Palestine Government to provide the sum of £185,000.

The revised estimated expenditure on the Trans-Jordan Frontier Force for the whole year (1927-28) is as under:—

	£E
Recurrent Expenditure	161,835
Public Works Extraordinary (Headquarters at Amman) ...	25,000
Tentage	3,000
	189,835
Revote of provision unspent in 1926-27 on buildings at Ma'an	24,400
a total of	£E214,235

The deficit in the Trans-Jordan Civil budget will be about £E65,000.

3. In the consideration of how these moneys are to be obtained two questions are involved:—

(*a*) To what extent the present financial position of the Palestine Government warrants a contribution by that Government to the cost of (i) the local defence force required in Trans-Jordan; and (ii) maintenance of the administration in that country; and

(b) the principles involved in such contributions.

4. As regards (*a*), the position as revealed in the Palestine Estimates for the nine months from the 1st of April to the 31st of December next, which are still under revision, is approximately as follows:—

	£E.
Revenue (exclusive of contribution by His Majesty's Government towards the cost of the Trans-Jordan Frontier Force)	1,800,000
Expenditure (exclusive of Posts and Telegraphs Extraordinary, Public Works Extraordinary and Railway Extraordinary, but including provision for the Trans-Jordan Frontier Force)	1,700,000
Difference	£E100,000

The margin of difference is altogether inadequate to provide for revotes on account of uncompleted public works and for the necessary public works under all three Extraordinary heads, as well as to provide for a margin of safety, even taking into account a Grant-in-Aid from the Imperial Government in respect of the Trans-Jordan Frontier Force. It must be remembered, moreover, that the Estimates for the coming financial year provide only for interest charges on the loan for half a year, and it will be necessary to provide in the following year for a further expenditure of £E120,000 on this account. A reduction in the Ordinary Expenditure and drastic curtailment of the programme of public works, except so far as it may be practicable to charge certain of these works to Surplus balances, are therefore inevitable.

5. As regards (*b*) I regret that I have failed to discover reasons which could cause me to modify the opinions I expressed in my despatch of the 27th October, 1926,* and in my earlier despatch of the 24th August,† in which I discussed policy and administration in Palestine and Trans-Jordan.

I submit that there is a real distinction between payments by the Palestine Government towards the cost of the Trans-Jordan Frontier Force and payments towards the Civil deficit anticipated by the Trans-Jordan Government. Although I hold a contrary opinion, it can be argued that the taxpayer of Palestine may reasonably be made to contribute to the cost of a military force required to preserve order in a neighbouring State and thus to ensure tranquillity in his own country. On the other hand, the taxpayer of Palestine, if called upon to meet a deficit in the Civil budget of the

* No. 36. † No. 33.

neighbouring State, can reasonably claim that it should be within his powers to scrutinize the financial arrangements of that State with a view to reducing the deficit and thus lightening his own burden of taxation. In other words, the proposal that Palestine shall contribute towards the Trans-Jordan deficit leads logically to control of the Trans-Jordan Government by the Palestine Government, and, having regard to the history of the policy of His Majesty's Government east of the Jordan, I consider that the position consequential on the proposal is untenable

6. Apart from the question of principle discussed in the foregoing paragraph, I appreciate that Palestine must make the maximum contribution to the cost of the Trans-Jordan Frontier Force compatible with her capacity to carry out urgent services and public works on which, in my judgment, her own peace and comparative prosperity depends. Notwithstanding then, that as indicated in paragraph 2 above the financial position this year is likely to be less satisfactory than it appeared to the Lords Commissioners on the basis of the returns at the 30th of September last, I am making provision for the payment by Palestine of two-thirds of the cost of the Frontier Force, an amount of £E126,556. If, as I earnestly hope, you find it possible to commend this proposal to the Treasury, the provisions required to be made in the Imperial Estimates will be :—

	£E
The Trans-Jordan share (one-third) of the Trans-Jordan Frontier Force ...	63,278
Revote of grant surrendered (half) in 1926-27	12,200
Deficit of Trans-Jordan Budget (say)	64,522
or a total Grant-in-Aid of approximately	£E140,000
	(or £143,500).

I have, &c.,
PLUMER, F. M.,
High Commissioner.

C. 49027/27 [No. 27].

No. 47.

TREASURY to COLONIAL OFFICE.

[*Answered by No.* 49.]

(S. 28724/2.)

SIR, Treasury Chambers, 17th February, 1927.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Sir John Shuckburgh's letter of the 10th February* relative to the provision proposed in the Middle Eastern Services Estimate for 1927 for the Trans-Jordan Frontier Force and for the Grant-in-Aid of Trans-Jordan Administration.

My Lords note that the expenditure in connection with the Frontier Force in the financial year 1927 is now estimated to be as follows :—

	£E
Recurrent Expenditure	161,835
Extraordinary Expenditure—	
Headquarters, Amman	25,000
Tents	3,000
	£E189,835

together with a revote of £E24,400 for the buildings at Ma'an. Mr. Secretary Amery recommends the acceptance of the revised arrangements now proposed by the High Commissioner for Palestine, namely, that for the year 1927-28 the cost of the Trans-Jordan Grant-in-Aid should fall entirely on British Funds, but the cost of the Frontier Force, excluding the revote of £E24,400, *i.e.*, £E189,835, should be borne as to two-thirds by Palestine Funds and as to the remaining one-third by Imperial funds, the revote of £E24,400 being shared equally on the basis existing in 1926-27.

So far as the Frontier Force is concerned, My Lords are prepared, in deference to Mr. Amery's recommendation, to agree to the equal sharing of the revote of £E24,400, but They regret to be unable otherwise to accept the arrangements proposed, as They remain of opinion that, for the reasons already explained, Palestine should pay five-sixths of the cost of the Frontier Force in future.

* No. 45.

As regards the Trans-Jordan Grant-in-Aid, My Lords are unable to agree to the continuance of the arrangement under which the full cost falls on British funds. In Their Lordships' opinion Trans-Jordania is, in reality, exclusively a Palestine interest, and in so far as a Grant-in-Aid is required to enable her to police the country the cost should fall on Palestine funds. The utmost concession that can be made in Their opinion is that British funds should pay one-half of the Grant-in-Aid, under the agreement already made, and They consider that effect should be given forthwith to this agreement.

Subject, therefore, to approval of the Estimates of the Force in due course, provision has been made in the Estimate for Middle Eastern Services 1927 for £45,000 as a Grant-in-Aid of the cost of the Trans-Jordan Frontier Force, made up as follows :—

One-sixth	£E189,835	£E31,639
One-half	£E24,400	£E12,200
		£E43.839
		say £45,000

and for £31,000—half of £62,000, which My Lords understand is the latest provisional estimate obtained by telegram—in respect of the Grant-in-Aid required by the Trans-Jordan Government towards the cost of the Chief British Representative and the Police Force in that Territory.

This latter provision is made subject to approval of the Trans-Jordan Estimates in due course.

I am to add that, in view of the general financial position, My Lords consider it necessary that last year's agreement should be fully implemented in the Estimates for 1928-29, viz , that Palestine should bear, in addition to the agreed proportions, as now fixed, of the cost of the Frontier Force and the Grant-in-Aid, all the cost of Palestine defence proper. They desire me to request that Mr. Amery will now make the necessary representations to the Palestine Government so that it may commence forthwith to adjust its finances to the future position

I am, &c.,
G. L. BARSTOW.

C. 44331/27 [No. 1].

No. 48.

PALESTINE.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 7th March, 1927.)

[*Answered by No.* 58.]

(No. 280.)

SIR, Government Offices, Jerusalem. 22nd February, 1927.

I HAVE the honour to transmit herewith draft Estimates of revenue and expenditure for Trans-Jordan in respect of the financial year 1927-28, together with an explanatory note* by the Chief British Representative.

2. As stated in my telegrams Nos. 18† and 19‡ of the 8th and 10th of February, 1927, these Estimates show a deficit of £E68,000, which assumes the surrender of an anticipated surplus balance of £E29,000 at the end of the present financial year. This anticipated surplus cannot be secured unless the Grant-in-Aid for the present year is paid in full : any instalment which remains unpaid will reduce the surplus proportionately. Provided, therefore, that this surplus is secured and carried forward to 1927-28 the deficit will be reduced to £E39,000.

3. I am satisfied that these estimates of expenditure include no provisions that cannot well be justified as being necessary for efficiency in the administration of the country. On the other hand, I recognise the need for drastic economy, especially in respect of recurrent expenditure, to enable the Trans-Jordan Government at the earliest possible date to be in a position to balance their ordinary civil budget without a Grant-in-Aid. I have scrutinised these Estimates carefully from this standpoint.

4. The largest head of expenditure, and the one to which attention is naturally directed for economy, is that for Police and Prisons. I had hoped that, once the new Frontier Force was in being, it might be possible to reduce further the Establishment of

* Not printed. † No. 42. ‡ No. 43.

the Arab Legion which now constitutes the civil police of the country. It is my considered opinion that such a reduction this year would be very ill-advised. We have—and shall continue to have until Druze guerilla activity is finally suppressed—a difficult situation on the northern frontier: civil administration of the Ma'an-Aqaba region is still new and not very firmly established; for ordinary police duties in these neighbourhoods a certain number of men must be available. To make provision for this by an immediate reduction of police establishments in the less unsettled parts of the country would, in my judgment, jeopardize the security from Beduin aggression which has been afforded during the past few years and has enabled villagers and other more stable elements in the population to extend their cultivation and increase the tax returns.

5. A new item of expenditure for which provision has been made is under Head XXIII, Audit. I am informed that any sort of efficient audit could not be instituted for less than £E2,000. I think it very desirable that this service should be instituted in the current year and before the coming into force of the new Agreement between His Majesty's Government and the Amir Abdullah.

6. If, then, economies must be made in order further to reduce the deficit I would indicate, as being less necessary than others, the following items:—

(*a*) Head V, Item 7, C.I.D. Special Services, £E420. (A Secret Service Vote has been provided under the Head, Police and Prisons.)

(*b*) Head XII, Item 2, £E396—Cost of new post of Chief Inspector of Education.

(*c*) Head XIII, Agriculture—(i) Item 12 to be reduced by £E200 to the provision for the previous year. (ii) Item 17 to be deleted £E50.

(*d*) Head XVI (*b*), Public Works Extraordinary—Postpone execution of the works provided for under:—

(i) Item 8 (A)—The construction of a new road from Madaba to the Ma'an baths, saving £E500.

(ii) Item 11 (A)—Improvements to the Karak-Dead Sea Road, saving £E400.

(iii) Item 1 (C)—The sinking of a bore at Meshetta, saving £E600.

I need hardly say, however, that I submit these reductions with very great reluctance and only because of the special circumstances which have rendered necessary drastic economy by His Majesty's Government.

I have, &c.,
PLUMER, Field-Marshal
High Commissioner.

C. 44102/27 [No. 17].

No. 49.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 53.]

Sir, Downing Street, 11th March, 1927.

I am directed by Mr. Secretary Amery to acknowledge the receipt of Sir George Barstow's letter (No. S. 28724/2) of the 17th of February,* relative to the provision made in the Middle Eastern Services Vote for 1927 in respect of the Trans-Jordan Frontier Force and the Grant-in-Aid of the Trans-Jordan Administration.

2. Mr Amery notes that Their Lordships have reduced the provision for the Trans-Jordan Force to £45,000, made up as follows:—

One-sixth of £E189,835	=	£E31,639
One-half of £E24,400	=	£E12,200
		£E43,839
	say	£45,000

on the ground that They remain of the opinion that Palestine should pay five-sixths of the cost of the Frontier Force in future. Mr. Amery notes also that this provision is subject to approval of the estimates of the Force in due course. Had the provision for the Force been apportioned on the same basis as in 1926-27, when His Majesty's Government bore a moiety of the cost, the amount chargeable to the British Exchequer would have been approximately £110,000. The Palestine Government are therefore being asked to pay £65,000 more on the new basis of apportionment.

* No. 47.

3. I am in this connection to enclose, for the information of Their Lordships, a copy of a despatch of the 26th of November, 1926,* in which Lord Plumer draws attention to the unsatisfactory economic condition of Palestine at the present time, and a copy of a further despatch dated the 3rd of February,† in paragraph 6 of which Lord Plumer states that, after considering the representations made by the Secretary of State, he is prepared to provide for the payment by Palestine (in respect of the cost of the Frontier Force in 1927-28) of £E126,556, to which must be added £E12,200 in respect of buildings at Ma'an, making a total of £E138,756, say £142,000, thus leaving £77,000 to be provided by His Majesty's Government. Their Lordships will observe that in making this offer Lord Plumer is influenced by the argument, which he himself does not accept, that the taxpayer of Palestine may reasonably be expected to contribute to the cost of a military force required to preserve order in a neighbouring State, and thus to ensure tranquillity in his own country.

4. Notwithstanding the unsatisfactory financial prospects of the Palestine Government, which are discussed in greater detail in a subsequent paragraph of this letter, Mr. Amery is prepared to press Lord Plumer to agree to the five-sixths basis for the apportionment of the cost of the Frontier Force. That apportionment will involve Palestine in further expenditure to the extent of £32,000 (£77,000 minus £45,000) so far as the Frontier Force is concerned. Mr. Amery is, however, quite unable to press the High Commissioner to agree that Palestine should bear in addition half the amount of the Trans-Jordan Civil deficit, which half amounts to £31,000 according to the latest provisional estimate, after allowing for a credit balance on the 31st of March next of £4,000 on an estimated total deficit of £66,000.

5. From a political point of view Mr. Amery shares Lord Plumer's opinion that as, for political reasons, His Majesty's Government have set up an independent Government in Trans-Jordan under the rule of His Highness The Emir Abdullah, it would be inconsistent with the policy which they have thus adopted for them to require the Palestine Government to find part of the money needed to meet the Trans-Jordan deficit. As a condition of such a contribution, the Palestine taxpayer would reasonably claim that the Government of Palestine should exercise a close control over the finances of the independent Government of Trans-Jordan, and the exercise of such control would undoubtedly excite political feeling in Trans-Jordan as well as in Palestine and elsewhere.

6. Mr. Amery realises that, under the agreement which he reached with the Chancellor of the Exchequer in March, 1926,‡ one-half of the Grant-in-Aid to the Trans-Jordan Administration should ultimately be borne by the Palestine Government, but he trusts that Their Lordships will agree that, in view of the important political considerations urged by Lord Plumer, that agreement, in so far as it relates to the Civil Grant-in-Aid, should be modified on the understanding that the Government of Palestine will, when their finances permit, assume responsibility for the extra cost of the Imperial Forces stationed in Palestine and Trans-Jordan over and above this cost if stationed at home. This would be an amount somewhat larger than the half-share of the Trans-Jordan Civil deficit, and would be a constant charge, whereas the latter will, it is hoped, be a diminishing one. But it would not be open to the same serious political objections.

7. In addition to these political considerations, regard must be had to the financial position and prospects of the Palestine Government. While it cannot, of course, be argued that the financial position of the Palestine Government is such that it would be impossible for them in 1927-28 to afford some additional relief to Imperial funds in respect of expenditure in Palestine and Trans-Jordan, it is evident from the enclosed despatches that the position is not nearly so satisfactory as it appeared to be from the information available to Their Lordships when they decided on the present provision in the Middle Eastern Services Estimate for 1927-28. Moreover, the outlook is far from promising. At a time when revenue is contracting the Palestine Government are faced with inevitable additional expenditure on account of both the Trans-Jordan Frontier Force and the charges on the forthcoming loan. From paragraph 4 of Lord Plumer's despatch of the 3rd of February† it appears that the expenditure during the period April to December, 1927, will slightly exceed the revenue, and that, unless revenue expands or expenditure is contracted, the deficit is likely to be substantially larger in future years, since additional provision will then be required in respect of loan charges.

8. The question arises whether, in order to balance the budget of the Government of Palestine during the next few years, the basis of taxation in Palestine could not be broadened or expenditure curtailed. The matter is clearly one which calls for

* C. 22521/26: not printed. † No. 46. ‡ *See* No. 32

careful and detailed examination, but, as regards the former possibility, I am to point out that the revenue of the Government of Palestine at present amounts to nearly £3 per annum per head of the population, which is very high for a country at so early a stage of development. As regards the latter possibility, Their Lordships will observe from the last sentence in paragraph 4 of Lord Plumer's despatch of the 3rd of February* that the question of curtailing expenditure is receiving consideration in Palestine, and that some reduction on this account is regarded as inevitable. At the same time Lord Plumer considers—and has so informed Mr. Amery in a private letter, a copy of an extract† from which is enclosed—that any substantial curtailment of expenditure on works of development is likely to give rise to serious discontent in Palestine which might take a form disturbing to public security in that country. Their Lordships will realise that the present garrison and security forces of Palestine and Trans-Jordan would probably be insufficient to deal with any disturbances on a large scale, and that, in these circumstances, the Palestine Government might find it necessary to ask for an increase in the garrison, the cost of which they could not themselves defray.

9. It is, of course, true that, on the subscription of the Palestine Loan, surplus balances of approximately £1,500,000 will be released; but, as Their Lordships are aware, a large part of this surplus is already earmarked for certain purposes, and part will not be available in cash, since it is locked up in the form of stores and other assets. Moreover, it is essential that a further proportion of the surplus should be set aside for the construction of Government buildings and for the making of new roads and other communications which would develop trade and increase Government revenue. As regards the former purpose Their Lordships are aware that, under the Turkish regime, there were practically no Government buildings in Palestine; so far the Palestine Government has for the most part leased private houses and religious property for use as offices, &c., but the religious buildings will in most cases have soon to be vacated, and the whole system is uneconomical, as the rents charged are continually being increased, and in Mr. Amery's opinion there can be no question that in the long run it will be financially to the advantage of the Palestine Government to continue, even in the present circumstances, with their modest programme for the construction of Government buildings.

10. The remainder of the surplus balances released when the loan is subscribed will, of course, be available to meet the deficits which appear inevitable on current account in the next few years, and might, in part, be utilised for defraying in 1928-29 and future years a portion of the cost of the Imperial Forces assigned for the defence of Palestine. If, as Mr. Amery trusts will be the case, Their Lordships are prepared to accept his proposal that his agreement with the Chancellor of the Exchequer should be cancelled so far as it relates to the Grant-in-Aid to the Trans-Jordan Administration, he will so inform Lord Plumer and will request him at an early date to submit proposals in respect of 1928-29, and, so far as is at present possible, in respect of future years for the assumption by Palestine of the extra cost of the Imperial Garrison.

11. Mr. Amery realises that the proposals which he has put forward will involve a supplementary estimate in 1927 unless either (1) he is able, on the receipt of the detailed Estimates for Trans-Jordan, to reduce the expenditure contemplated therein or to make suggestions for increasing the revenue of that country to the extent necessary, or (2) Their Lordships agree in the circumstances to further issues being made during this financial year up to the full amount of the Grant-in-Aid provided for the Trans-Jordan administration in the Middle Eastern Services Vote for 1926. At the present moment only £66,000 out of the sum of £92,000 provided in the 1926-27 Estimates has been issued, and the issue of the balance of £26,000 before the 31st of March next will admit of a balance of some £30,000 being carried forward to meet the anticipated deficit in 1927-28.

12. I am to request that Their Lordships may be moved to return an early reply to this letter in order that the High Commissioner for Palestine may be informed at an early date of the intentions of His Majesty's Government.

I am, &c.,
A. J. HARDING.

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* No. 46. † Not printed.

C. 44102/27 [No. 18].

No. 50.

MR. WINSTON S. CHURCHILL (TREASURY) to MR. L. S. AMERY (COLONIAL OFFICE).

[*Answered by No.* 52.]

Treasury Chambers,
MY DEAR SECRETARY OF STATE, Whitehall, S.W., 17th March, 1927.

I HAVE before me your official letter of the 11th* about the Palestine and Trans-Jordan Frontier Force and the Trans-Jordan Grant-in-Aid, and I note all that you and Lord Plumer say.

It is a great disappointment to me that you should now wish to depart from our last year's agreement, and I should like time for further consideration before replying to you on that matter. But meanwhile the Estimate has been closed at a net total arrived at after allowing for a contribution of £31,000 from Palestine to the Trans-Jordan Grant-in-Aid, and, as we should not feel justified in agreeing to an over-issue to Trans-Jordan this year, an undesirable Supplementary Estimate can only be avoided in July if you will help me. Though I have read what you say about Palestine's finances and unemployment troubles, it appears quite clear that *for the year* 1927-28 *at any rate*, without prejudice to subsequent years, she can easily pay the additional sum of £31,000 proposed, because she has such large balances, and will shortly have loan moneys available. If, therefore, on political grounds, you are convinced that the £31,000 should not be pressed for towards the Trans-Jordan Grant-in-Aid—and I desire to reserve my own conclusions on the point for the moment, as I do not feel sure that it cannot be justified as a contribution to local Police, which are semi-military, without raising any question of the control of Trans-Jordan administration by Palestine—can you not possibly arrange that for this next year, without prejudice to the following years, which can be considered later, Palestine shall pay the £31,000 as an Appropriation-in-Aid to Sub-head A of the Middle East Vote, "Defence"? We could then increase our Trans-Jordan Grant-in-Aid to £62,000 and leave the net total of the whole Vote unchanged I should be most grateful if you could arrange for this alternative, if you think it preferable to what I originally asked for, and could press Plumer very strongly on the point if necessary.

May I have a very early answer, as the Estimate must close finally on Friday night?

Yours sincerely,
WINSTON S. CHURCHILL.

C. 44331/27 [No. 3].

No. 51.

TREASURY to COLONIAL OFFICE.

[*Answered by No.* 56.]

(S. 9824/05.)

SIR, Treasury Chambers, 29th March, 1927.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury your letter of the 11th instant† and the accompanying copy of a despatch from the High Commissioner for Palestine‡ forwarding the Estimates of revenue and expenditure for Trans-Jordan for 1927-28.

My Lords are glad to observe that the total of the Estimates of expenditure is not substantially in excess of that of the preceding year and that an increase of revenue secures a reduced deficit of £E68,000. My Lords understand that on further information the amount of the Grant-in-Aid required has been further reduced to £62,000 and They will be glad to receive later particulars of the financial position, together with the considered opinion of the Secretary of State on the Estimates.

I am, &c.,
G. L. BARSTOW.

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* No. 49. † C. 44331/27 [No. 2]: not printed. ‡ No. 48.

C. 44102/27 [No. 20].

No. 52.

MR. L. S. AMERY (COLONIAL OFFICE) to MR. WINSTON S. CHURCHILL (TREASURY).

MY DEAR CHANCELLOR, Downing Street, 30th March, 1927

ON receipt of your letter of 17th March* about financial arrangements in connection with Palestine and Trans-Jordan, I spoke to A. J. Harding and told him to let the Treasury know what I considered a possible basis of a settlement. I understand that you are prepared to accept what I proposed, so long as the Treasury are not thereby debarred for all time from asking for a larger contribution towards the cost of the British forces stationed in Palestine and Trans-Jordan, if Palestine and Trans-Jordan should ever become wealthy and well able to pay more than the excess cost of those forces over their cost if stationed in Great Britain. I have no objection to this reservation, which has been incorporated (as clause g)† in the note which I enclose and in which you have concurred. Perhaps the Treasury will now reply officially to Colonial Office letter of 11th March,‡ and notify approval of the settlement: I will then tackle Lord Plumer.

Yours, &c.,
L. S. AMERY.

C. 44102/27 [No. 22].

No. 53.

TREASURY to COLONIAL OFFICE.

[*Answered by No.* 55.]

(S. 28724/2.)

SIR, Treasury Chambers, 5th April, 1927

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Mr. Harding's letter of the 11th March‡ relative to the provision to be made in the Estimate of Middle Eastern Services 1927 in respect of the Trans-Jordan Frontier Force and the Grant-in-Aid of the Trans-Jordan Administration.

My Lords are glad to learn that Mr. Secretary Amery is prepared to press Lord Plumer to agree to the five-sixths basis for the apportionment of the cost of the Frontier Force.

It was agreed last year—Colonial Office letter of the 23rd June, 1926,§ in reply to Treasury letter of the 26th May, 1926 (S.28724)‖—that Palestine should bear up to 50 per cent. of the Grant-in-Aid required by Trans-Jordan, and My Lords regret to observe that Mr. Amery has reconsidered his views on this point and shares Lord Plumer's opinion that for political reasons it is impossible to require the Palestine Government to find part of the Grant-in-Aid.

In all the circumstances, however, and in view of the increased financial burdens to be borne by Palestine in other directions, My Lords will be prepared to accept the principle that the Palestine Government shall not be expected to contribute towards the cost of the Trans-Jordan Administration, provided that arrangements are made to avoid a Supplementary Estimate in the current year and that Palestine will assume the extra cost of the Imperial Garrison in future years.

My Lords regret that a Supplementary Estimate cannot be avoided by the issue in full of the Grant-in-Aid voted for Trans-Jordan in 1926-27, and They see no other way of providing the additional £31,000 required for the Grant-in-Aid of 1927-28 than by appropriating that sum, as a contribution from Palestine funds, in aid of the Defence provision in Sub-head A of the Vote. An examination of the latest figures available makes it clear that Palestine should have no difficulty in meeting this additional charge as well as the increased contribution towards the cost of the Frontier Force. As Mr. Amery is aware, it had previously been agreed that the Palestine Government would eventually, if not in 1928, bear the *whole cost* of her defence, but in deference to the strong representations now made, My Lords are prepared for the present to accept a modification of this arrangement as part of the general settlement now proposed.

They are also prepared as part of the settlement to abandon forthwith Treasury control over Palestine's finances. The following solution of the whole situation is therefore proposed:—

(*a*) Palestine is in 1928-29 and future years to pay five-sixths of the cost of the Trans-Jordan Frontier Force, the remaining one-sixth to be regarded as Trans-

* No. 50. † *See* No. 53. ‡ No. 49. § 10891/26: not printed. ‖ No. 32.

Jordan's share of the cost and to be met by His Majesty's Government so long as Trans-Jordan's finances are unable to bear the charge.

(*b*) In 1927-28 Palestine is to pay five-sixths of the cost of the Trans-Jordan Frontier Force (apart from the revote for the Trans-Jordan Frontier Force buildings at Ma'an) and one-half (*i.e.* £12,200) of the revote for the Trans-Jordan Frontier Force buildings at Ma'an. The other £12,200 will be paid by His Majesty's Government.

(*c*) Palestine is not to be asked to pay any Grant-in-Aid to Trans-Jordan.

(*d*) Palestine is to pay £31,000 to His Majesty's Government in 1927-28 towards the cost of the British Forces stationed in Palestine and Trans-Jordan.

(*e*) In 1928-29 and subsequent years, Palestine is to pay the excess of the cost of the British Forces stationed in Palestine and Trans-Jordan over what their cost would be if they were stationed in Great Britain.

(*f*) On the assumption that no charge on British Funds will be necessary in future for Civil expenditure in Palestine, including the service of the Guaranteed Loan, Treasury control over Palestine's finances to be abandoned forthwith. Treasury control over Trans-Jordan expenditure and expenditure on the Trans-Jordan Frontier Force will remain while a Grant-in-Aid to Trans-Jordan or to her share of the Frontier Force is paid from British funds.

(*g*) If in the future the financial position of Trans-Jordan should improve so much that the Trans-Jordan Government is able to dispense with assistance from British funds and also to make a contribution towards the excess cost of the British Forces stationed in Palestine and Trans-Jordan, Clause (*e*) above will not be held to debar the Treasury from asking that the contribution from Palestine should not be reduced; and, apart from that contingency, if in the future the financial position of Palestine or Trans-Jordan or both should improve so materially that either or both of those Governments become well able to pay a contribution towards the cost of the British Forces stationed in Palestine and Trans-Jordan greater than the excess cost of those Forces over what their cost would be if they were stationed in Great Britain, the above arrangements will not be held to debar the Treasury from proposing a new arrangement with regard to the cost of those Forces.

Under these arrangements the relevant sub-heads of the Estimate for Middle Eastern Services 1927-28 have been closed on the following basis:—

Subhead.		
H.	Trans-Jordan Frontier Force	£45,000
J.	Contribution to Trans-Jordan Administration	£62,000
M.	Appropriations-in-Aid (part of) contribution from Palestine towards Defence	£31,000

I am, &c.,
G. L. BARSTOW.

C. 44102/27 [No. 23].

No. 54.

PALESTINE.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Sent 11.30 a.m., 12th April, 1927.)

TELEGRAM.

No. 65. Your despatch of 3rd of February, Confidential A.* After prolonged negotiations with Chancellor of Exchequer I have agreed that in 1927-28 Palestine is to pay five-sixths of cost of Trans-Jordan Frontier Force, excluding cost of buildings at Ma'an of which she is to pay half. Palestine is not to be asked to pay any Grant-in-Aid to Trans-Jordan Civil Administration, but is to pay £31,000 in 1927-28 towards excess cost of British Forces stationed in Palestine and Trans-Jordan over cost if stationed in Great Britain. Middle Eastern Services Vote therefore provides £45,000 for Frontier Force and £62,000 for Trans-Jordan Grant-in-Aid. Remainder of Frontier Force expenditure and also the £31,000 contribution towards excess cost of British Forces stationed in Palestine and Trans-Jordan must be provided from Palestine funds. Chancellor has agreed that Treasury control over Palestine finances shall be abandoned forthwith. Despatch follows.—AMERY.

* No. 46.

C. 44102/27 [No. 24].

No. 55.

COLONIAL OFFICE to TREASURY.

SIR, Downing Street, 14th April, 1927.

I AM directed by Mr. Secretary Amery to acknowledge the receipt of your letter No. S. 28724/2 of 5th April* regarding the financial arrangements for 1927-28 and subsequent years between the British, Palestine and Trans-Jordan Governments, and to request you to inform the Lords Commissioners of the Treasury that he accepts the general settlement proposed in the last two paragraphs of that letter.

I am, &c.,

J. E. SHUCKBURGH.

C. 44331/27 [No. 5].

No. 56.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 57.]

SIR, Downing Street, 11th May, 1927.

I AM directed by Mr. Secretary Amery to refer to your letter No. S.9824/05 of the 29th of March† in regard to the draft Estimates of Revenue and Expenditure for Trans-Jordan for the financial year 1927-28.

2. As stated in Colonial Office letter of the 10th of February‡ a sum of £66,000 was issued out of the Grant-in-Aid during the last financial year, and of this sum about £4,000 remained unexpended. The estimate for the contribution to the Trans-Jordan Administration for the current year has been fixed at £62,000, and the amount which will be available from British funds to assist the revenues of Trans-Jordan during this year will therefore be approximately £66,000.

3. The draft Estimates show an excess of estimated expenditure over estimated revenue of £E68,000. This has subsequently been increased to £E69,288 in the following manner.

In his despatch No. 505 of the 6th of April,§ a copy of which is enclosed, Lord Plumer proposes that the provision for expenditure on Police should be increased by £E1,278 to provide for a Police post at Aqaba; and in his despatch Confidential A of the 28th of March,‖ a copy of which is also enclosed, he recommends that Mr. R. T. Ledger, Chief Clerk, Grade I, of the Office of the Chief British Representative, should, whilst holding his present position, be placed in Class 3, a proposal which will involve an increase on Head 22, Item 1, of £E10 for the current year. To this latter suggestion, Mr. Amery proposes to assent.

4. It is therefore necessary, in order to counterbalance these additional charges, to reduce the estimated expenditure by approximately £E5,000. The items which, in paragraph 6 of his despatch covering the Estimates, Lord Plumer suggests might be deleted would reduce the deficit by £E2,566, and Mr. Amery proposes that the provision of £E576 for a Minister of Finance under Head IX Item 1, should also be deleted. Apart from these items, an amendment of Item 7 of the schedule of Arab Legion expenditure involving a reduction of £E25, and the re-consideration of certain other items, Mr. Amery feels that he can only leave it to the High Commissioner to decide whether the further economies which are necessary to bring the deficit within the amount which is to be made available from British funds should be effected by a reduction in the Vote for the Police and Prisons Department or by a reduction in the Votes for the social services.

5. I am to enclose the draft¶ of a despatch which Mr. Amery would propose, subject to Their Lordships' concurrence, to address to Lord Plumer on the subject.

6. As regards paragraph 3 of the draft despatch, I am to invite attention to the correspondence ending with Colonial Office letter of the 16th of August** and to explain that in any case, as the Hedjaz Railway is not yet in full working order, and the Persian Government have forbidden the pilgrimage this year, and, moreover, steps have been taken by the 'Iraq Government to discourage the pilgrimage, it is not likely that any

* No. 53. † No. 51. ‡ No. 45. § C. 44331/27 [No. 4]: not printed.
‖ 24228 Middle East: not printed. ¶ Not printed. ** 15450/26: not printed.

considerable revenue would be received from the fees for quarantine services at Ma'an this year.

7. Lord Plumer has suggested in his Confidential despatch of the 27th of February,* a copy of which is enclosed, that the subsidies paid to certain Trans-Jordan tribes to protect the Hedjaz Railway should properly form a charge on the Trans-Jordan Government's vote for public security. Mr. Amery is, however, unable to agree to this proposal, and I am to enclose a copy of a despatch† which he has addressed to Lord Plumer on the subject.

8. With regard to paragraph 5 of the draft despatch, as Their Lordships are aware, the question of the Constitution of Trans-Jordan is still under consideration.

9. A copy of Lord Plumer's despatch No. 359 of the 10th of March,‡ which is referred to in paragraph 10 of the draft despatch, is enclosed. It appears from that despatch that the cost of the proposed Bacteriological Laboratory will be met from savings during the year, and Mr. Amery considers that, provided that it is possible to meet this new expenditure by savings on other votes, the creation of this Laboratory should be sanctioned.

10. As regards the estimate for the Department of Police and Prisons, while this at present forms an undue proportion of the expenditure of the Trans-Jordan Government, the general situation in Syria and the fact that the oasis of Azrak in the north of Trans-Jordan is being used by the Syrian rebels as a military depot and refuge, renders it difficult to press for a drastic reduction of this expenditure; but Their Lordships will observe that Mr. Amery proposes to urge upon Lord Plumer the importance of securing such reductions as may be possible during the course of the present year.

11. The question of the residence for the Chief British Representative (Head XX (*a*) formed the subject of correspondence ending with your letter S./19976 of the 8th of February, 1926.§ A copy of a further despatch‖ on this subject is enclosed. Mr. Amery proposes to approve this expenditure, and, as Lord Plumer has asked for approval of the provision for the completion of the Chief British Representative's residence in advance of the approval of the Estimates as a whole, I am to enclose the draft¶ of a telegram which Mr. Amery will address to the High Commissioner on receipt of Their Lordships' concurrence. There can be no question of the urgent necessity of providing the Chief British Representative with a new and suitable residence with the least possible delay.

12. As regards the estimate for the Audit Department under Head XXIII, I am to invite attention to the correspondence ending with Colonial Office letter of the 27th of January.**

13. Mr. Amery trusts Their Lordships will concur in the terms of the draft despatch and draft telegram, and will sanction periodical issues to the total of £62,000 on the lines proposed in Colonial Office letter of the 5th of January, 1926,†† out of the provision made under Sub-Head J of the Vote for Middle Eastern Services 1927.

I am, &c.,

J. E. SHUCKBURGH.

C. 44331/27 [No. 8].

No. 57.

TREASURY to COLONIAL OFFICE.

(S.9824/05.)

SIR, Treasury Chambers, 16th June, 1927.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Sir John Shuckburgh's letter of the 11th May‡‡ further relative to the draft Estimates of Revenue and Expenditure for Trans-Jordan for the financial year 1927-28.

In reply I am to request you to inform Mr. Secretary Amery that My Lords have felt somewhat handicapped in considering the financial position as they have not had before Them the financial returns for 1925-26, while revised Estimates for 1926-27 are not submitted with those for the current financial year, as is usual with grant-aided Protectorates. I am to request that the figures for 1925-26 may be furnished without

* C. 44358/27 [No. 1]: not printed. † C. 44358/27 [No. 2]: not printed.
‡ C. 44375/27 [No. 1]: not printed. § C. 3188/26: not printed.
‖ C. 44359/27 [No. 1]: not printed. ¶ Not printed. ** C. 44129/27 [No. 3]: not printed.
†† 57139/25: not printed. ‡‡ No. 56.

delay and that in future the Chief British Representative will arrange to submit quarterly returns of revenue and expenditure as soon as possible after the close of the period.

The estimated revenue for 1927-28 is £227,990, as compared with £208,060 estimated for 1926-27, and They are glad to note this steady improvement which They feel is in no small measure attributable to the increased efficiency in administration which is being effected under the guidance of the Chief British Representative. Mr. Amery proposes to call for a reduction in estimated expenditure of £4,000 which will bring the total just below that estimated for 1926-27, on the lines suggested in Treasury letter of the 31st August, 1926 (S.9824/04),* but further amendment of both revenue and expenditure will be necessary in the light of the survey proposals in Sir J. Shuckburgh's letter of the 14th ultimo.†

The grant-in-aid of £62,000 provided in the Estimates for Middle East Services 1927-28 may then be more than sufficient to meet the deficit on the Trans-Jordan Budget for 1927-28. In these circumstances and in the absence of a balance sheet as at the 31st March, 1926, together with revised Estimates for 1926-27, My Lords are in some doubt whether the whole provisions will be required. I am to request therefore that the issues made from time to time should be limited at present to a total of £50,000.

My Lords do not wish to raise any question on the details of the Estimate beyond the matters with which the Secretary of State proposes to deal, and I am to convey Their sanction to the various proposals in the letter under reply, including in particular the expenditure on the completion of the residence of the Chief British Representative.

My Lords are pleased to concur in the terms of the draft of a telegram which it is proposed to address to Lord Plumer and of the following despatch subject to inclusion of a request for the further financial information which They require.

I have, &c.,
G. L. BARSTOW.

C. 44331/27 [No. 10].

No. 58.

PALESTINE.

THE SECRETARY OF STATE to THE OFFICER ADMINISTERING THE GOVERNMENT.

(No. 849.)

SIR, Downing Street, 6th July, 1927.

I HAVE the honour to refer to Lord Plumer's despatch No. 280 of the 22nd of February‡ transmitting the draft Estimates of revenue and expenditure for Trans-Jordan in respect of the financial year 1927-28.

2. As stated in my Confidential despatch of 14th April,§ the amount inserted in the Middle Eastern Services Vote for 1927 as a grant-in-aid for Trans-Jordan is £62,000 and there is no possibility of that provision being increased. There is, however, a surplus of some £4,000 remaining from the amount issued from the grant for the previous year, thus making the total provision about £66,000, and the Estimates must be amended in order that the deficit will not amount to more than that figure.

3. The estimates of revenue appear to be generally satisfactory, but with regard to Head III, Item 9, I understand, from previous correspondence on the subject of the establishment of a Quarantine Station at Ma'an, that the scale of fees for quarantine services which the Trans-Jordan Government propose to levy is not likely to yield sufficient revenue to cover the recurrent expenditure and provide a margin for repayment of the debt to the Government of Palestine. It is now too late this year to attempt to raise the amount of the fees, but I consider that the Trans-Jordan Government should be urged to raise the fees in future years so that the revenue may balance the expenditure including interest on, and repayment of, capital expenditure.

4. I am addressing you separately on the question of the Hedjaz Railway subsidies, Head III, Item 16.

5. With regard to Expenditure, it is clear that the charge for Legislature under Head III will not be incurred for a full year and will have to be considered in the light of the decision eventually arrived at as to the Constitution of the Trans-Jordan Government. In the meantime, no expenditure will be incurred and a saving may result under this head.

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* No 28 in Middle East No. 6. † C. 44434/27 [No. 3]: not printed. ‡ No. 48.
§ C 44102/27 [No. 25]: not printed.

6. I agree with Lord Plumer that the provision of £E420 under Head V, Item 7, C.I.D. Special Services, should be deleted.

7. I presume that the salary of the Judicial Adviser, which is shown under Head VII, Item 1, as £E1,277, is arrived at by including £E77 as cost-of-living allowance.

8. Seeing that a post of Chief Secretary has been added to the Department of the Chief Minister, Head V, to relieve the latter of his routine duties, I regret that I cannot, as at present advised, agree that, as is proposed under Head IX, a Finance Minister or Treasurer should be appointed. Lord Plumer originally proposed that the British Officer who at present holds the post of Financial Adviser should be made in effect Minister of Finance to the Trans-Jordan Government. My objection to that proposal was merely that it was inappropriate that a British Officer should hold a position which would require him to submit himself to criticism and interpellation by the members of the Trans-Jordan Assembly and, in view of the present position of the finances of Trans-Jordan, I consider that, at any rate for the present, the Chief Minister might be required to act as nominal head of the Finance Department, the work of which must fall largely upon the shoulders of the Financial Adviser.

I agree to the proposals in regard to the salary of the Financial Adviser.

9. I understand that arrangements have been made for Mr. H. A. Turner, of the Egyptian Customs Service, to take up the appointment of Director of Customs under the Trans-Jordan Government as from the 15th April. The salary provided for this post under Head X is £E1,100. As I informed Lord Plumer, when addressing him on the subject of the draft Estimates for the last financial year, I cannot sanction the appointment of a Director of Customs at such a salary for an indefinite period. Before approving the estimates for Customs and Excise I should be glad, therefore, to have further information as to Mr. Turner's appointment and as to the Trans-Jordan Government's intentions in this matter.

10. As regards Head XI of the Estimates of expenditure I understand from Lord Plumer's despatch, No. 359, of the 10th of March,* that it is now proposed to establish a Bacteriological Laboratory in Trans-Jordan, and that for this purpose it is proposed to appoint Dr. Blofeld as Bacteriologist at a salary of £E32 monthly. On the understanding that the cost of this proposal will be made from savings during the year, I do not wish to raise any objection to the appointment.

11. I agree with Lord Plumer that the provision of £E396 for a new post of Chief Inspector of Education under Head XII, Item 2, should be deleted; if later in the year it is found to be necessary to reduce expenditure in order to balance the Budget, it may be necessary to discontinue or postpone some of the other new services provided under this Head.

12. I agree also that the provision of £E450 for experimental stations under Head XIII, Item 12, should be reduced to £E250 and that the provision of £E50 under Item 17 of the same Head should be deleted.

13. I agree to Lord Plumer's proposals in regard to the reduction of expenditure on Public Works Extraordinary under Head XVI (B), which will involve a saving of £E1,500 in all. If the financial position later in the year should warrant the expenditure it may, of course, be possible to reconsider the resumption of the borings for water at Meshetta.

14. As regards the provision for Police and Prisons under Head XX, this amount Lord Plumer now proposes to increase by a further sum of £E1,278 to provide for the Police post at Aqaba referred to in his despatch, No. 505, of the 6th of April.† While I realise that, for the reasons given in paragraph 4 of Lord Plumer's despatch of the 22nd of February,‡ it may not be possible to effect immediate reductions in the establishment of the Civil Police, I feel it necessary to ask for substantial economies and reductions to be effected during 1927-28 unless the position as regards internal security or external threat alters for the worse. The full effect of such economies would then be felt next year. I appreciate the force of Lord Plumer's arguments, but, although conditions in Trans-Jordan have not yet perhaps reached the normal, they are gradually returning to it, since the position of that country is such that there will be, even in normal circumstances, either within or near its frontiers, some elements of disturbance. It may not now be possible to attain or even perhaps to approach closely the position envisaged by Lord Plumer in the early part of 1926 when he stated that, in his opinion, the establishment of 650 men and an expenditure of £E70,000 would ultimately be sufficient. Nevertheless, the substantial improvement in both internal security and the

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* C. 44375/27 [No. 1]: not printed. † C. 44331/27 [No. 4]: not printed. ‡ No. 48.

external position since the present establishment of the Police and Prisons Department was fixed might reasonably be expected to render it possible for some progress to be made in the direction desired. I trust that, even if it is not at the moment possible to reduce the strength of the Police, every possible effort will be made to effect any economies in administration that may be compatible with efficiency. At present the cost of administration shows a tendency to increase.

I would, therefore, ask you to consider whether it is not possible for revised proposals for expenditure on the Police and Prisons Department during 1927-28 to be submitted so that that expenditure may at least be kept within the limits of the actual expenditure in the preceding year. I hope that in the next financial year it will be possible to make a further reduction of at least £E5,000 in the expenditure on this Department. Expenditure on Police and Prisons is so high a proportion of the total expenditure in Trans-Jordan that it is only by making substantial reductions in it as internal security improves that there can be any hope of the Trans-Jordan Government balancing its budget during the next few years and of its being able to find money for expenditure on social services, the expansion of which is admitted to be desirable. If, upon re-consideration, you adhere to the view that no economies are possible on Police and Prisons expenditure in 1927-28 it will be necessary, unless revenue exceeds the estimate or expenditure on other services falls below the estimate, to reduce the provision on some other services later in the year in order to keep the deficit on the year within the amount provided by His Majesty's Government as their grant-in-aid of the Civil Administration.

15. Turning to points of detail under this Head, the provision under Item 7 of the Arab Legion Schedule of £E75 as expatriation allowance to the Chief Accountant is incorrect and should be amended to £E50. I should be glad to receive further information as to the re-grading of the post of Controller of Stores referred to under Item 25. There are a number of other incorrect statements in the Schedule of the Arab Legion estimates of expenditure.

16. The appointment of Mr. Ledger to Class 3, upon which I am addressing you separately, will involve a slight amendment of the provision under Head XXII.

17. Upon matters of form, I consider that a Head should be introduced in the Trans-Jordan Estimates for the Trans-Jordan Frontier Force. No details need be included, but a lump sum equal to one-sixth of the total estimated expenditure on the Trans-Jordan Frontier Force should be inserted, the details of which will, as hitherto, be included in the Palestine Estimates. Moreover, I consider that the Trans-Jordan Estimates might be made to follow the Palestine Estimates more closely in form and that the provision made in the Estimates for the previous year should be shown under each separate item, and not, as is at present done, shown only in the form of totals at the end of each Head or each part of Head

18. I shall be glad to receive in due course revised Estimates showing how it is proposed to keep the expenditure of the Trans-Jordan Government in 1927-28 within the limits of revenue available.

19. I enclose, for your information, a copy of a letter dated 16th June* received from the Lords Commissioners of the Treasury, in which Their Lordships have asked that in future the Chief British Representative, Trans-Jordan, will arrange to submit quarterly returns of revenue and expenditure (see paragraph 396 (ix) Colonial Regulations) and I would be glad if you would arrange for these returns to be forwarded as soon as possible after the close of the respective periods commencing 30th June, 1927, and also for revised Estimates of revenue and expenditure for the current year, which would, of course, be based on actual figures available at the time, to be submitted under the various Heads when rendering your Estimates for the following year. In order to indicate clearly what is required in this connection, I enclose a copy of the Nyasaland Estimates for 1926-27,† from pages 4 and 5 of which you will observe that a "Revised Estimate" column follows immediately after the "Approved Estimate" column. I have to request that this enclosure may be returned at your early convenience.

20. You will observe also that Their Lordships further state that partly through the absence of a balance sheet as at the 31st March, 1926 (which has, however, now been received under cover of your despatch 866 of the 9th June, 1927‡), they are in some doubt whether the whole provision for the grant-in-aid of £62,000 will be required, and have requested that the issues from time to time should be limited at present to a total of £50,000. I propose, therefore, to issue the sum of £25,000 for the first two quarters of the year early in July.

I have, &c.,
L. S. AMERY

* No. 57. † Not printed ‡ C. 44372/27 [No. 4]: not printed.

Sub-head K. Arabia.

C. 18538/26.

No. 59.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 60.]

SIR, Downing Street, 30th October, 1926.

I AM directed by Mr. Secretary Amery to address you with regard to the provision to be made in the Vote for Middle Eastern Services for the year 1927 under the sub-head "Arabia, Sundry Political Expenditure," and to state that, subject to the concurrence of the Lords Commissioners of the Treasury, he proposes to insert a sum of £1,000 for this service.

This provision is required to meet expenditure which it is anticipated it will be necessary to incur in connection with the services indicated below, and also to provide a small margin for contingencies.

(i) Political Mission at Hodeidah.

As Their Lordships are aware, the future policy in south-west Arabia is engaging the earnest attention of His Majesty's Government. and until a decision has been reached on this matter Mr. Amery considers that the Political Mission should be retained at Hodeidah. In view, however, of the probable delay which will occur before any decision can be arrived at and of the necessity for submitting the estimates of the Vote for Middle Eastern Servises at an early date, he proposes to include provision for this service on the basis of the proposals sanctioned in Treasury letter S.2984/2 of 30th September, 1926* (£550).

(ii) Appointment of Civil Administrator, Kamaran, as Political Officer, Southern Red Sea Coast, with Hodeidah Mission under his control.

I am to refer to Treasury letter No. S.2984/2 of the 14th June, 1926,† approving the proposal indicated at (ii) above and also to Mr. Amery's despatch No. 58 of 15th September, 1926,‡ addressed to the Acting Resident, Aden, a copy of which was enclosed in Colonial Office letter of 16th September, 1926,‡ regarding the conditions under which the Civil Administrator, Kamaran, will act in his capacity as Political Officer, Southern Red Sea Coast. The expenditure in connection with this service, which falls to be met from the Vote for Middle Eastern Services, is limited to travelling expenses incurred by the Civil Commissioner in the performance of his new functions, and it is proposed that the provision to be inserted in the Estimates for 1927 should be based on the estimated cost of four journeys a year, which, on the information at present available, will amount to £200 approximately.

In order to meet expenditure which may arise in respect of any unforeseen political services in Arabia, I am to suggest that a further sum of £250, making a total of £1,000 in all, should be provided under this Head.

I am, &c.,
J. E. SHUCKBURGH.

C. 20625/26.

No. 60.

TREASURY to COLONIAL OFFICE.

(S/30532.)

SIR, Treasury Chambers, 4th November, 1926.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Sir John Shuckburgh's letter of the 30th October,§ relative to the provision to be made in the Vote for Middle Eastern Services for the year 1927 under the sub-head "Arabia, Sundry Political Expenditure."

In reply I am to request you to inform Mr. Secretary Amery that My Lords approve the proposal to insert £1,000 in the Estimates for this sub-head which will, however, be subject to review in the light of the political situation in February next when it may be possible to decide whether the Political Mission at Hodeidah is to be continued.

I am, &c.,
G. L. BARSTOW.

* C. 18555/26: not printed. † C. 12233/26: not printed. ‡ C. 15795/26: not printed.
§ No. 59.

C. 20625/26.

No. 61.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 62.]

SIR, Downing Street, 9th February, 1927.

I AM directed by Mr. Secretary Amery to refer to Sir G. Barstow's letter No. S/30532 of the 4th of November, 1926,* in regard to the provision to be made in the Vote for Middle Eastern Services for the year 1927 under the sub-head "Arabia, Sundry Political Expenditure."

2. In his despatch No. 148 of the 1st of September, 1926,† a copy of which accompanied Colonial Office letter of the 22nd September,† the Acting Resident at Aden expressed the view that the Political Mission at Hodeidah should be maintained until the relations between His Majesty's Government and the Imam had been placed upon a satisfactory permanent basis. In this view Mr. Amery concurs.

3. The relations between His Majesty's Government and the Imam have not changed since the question of the retention of the Mission was previously under review. It has been decided that the Imam should be warned that further attempts on his part to encroach upon the Aden Protectorate will be resisted and will render him liable to attack, and the question whether this warning should be accompanied by a renewed offer of a friendly settlement is now under consideration. Whatever decision may be reached in this matter, Mr. Amery considers that it is improbable that any definite agreement with the Imam is likely to be arrived at for some time.

4. Their Lordships are aware that the sum of £550 has been inserted for this Service in the Provisional Middle Eastern Services Vote for the year 1927 under the sub-head "Arabia, Sundry Political Expenditure." I am to ask that Their Lordships will now agree to the retention of the Mission until such time as the future relations between His Majesty's Government and the Imam are settled.

I am, &c.,
J. E. SHUCKBURGH.

C. 48039/27 [No. 1].

No. 62.

TREASURY to COLONIAL OFFICE.

(S/2984/2.)

SIR, Treasury Chambers, 14th February, 1927.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Sir John Shuckburgh's letter of the 9th instant,‡ relative to the retention of the Political Mission at Hodeidah.

In reply I am to request you to inform Mr. Secretary Amery that My Lords agree to provision in the Middle Eastern Services Estimate for this Mission to 31st March, 1928, on the understanding that the question of retention will be reviewed in the event of a material change in the relations between His Majesty's Government and the Imam of Sanaa.

I am, &c.,
G. L. BARSTOW.

Sub-head L. Aden.

C. 48020/27 [No. 2].

No. 63.

WAR OFFICE to COLONIAL OFFICE.

SIR, The War Office, London, S.W 1, 11th January, 1927.

I AM commanded by the Army Council to refer to the recent decision of His Majesty's Government to transfer Aden from Indian to Imperial control, and to inform you that provision is being made in draft Army Estimates 1927 to meet the full military expenditure at Aden subject to repayment from the Middle Eastern Services Vote.

The Council have not yet received a detailed estimate from the Government of India. In the meantime, they have provisionally taken the total effective cost of the

* No. 60 † C. 17507/26: not printed. ‡ No. 61.

Aden garrison at £450,000, and I am to ask that provision may be made in your Estimates for repayment during 1927 of this sum to the War Office.

A further communication will be addressed to you immediately detailed information is received from India.

I am, &c.,
A. E. WIDDOWS.

C. 48020/27 [No. 6].

No. 64.

AIR MINISTRY to COLONIAL OFFICE.

SIR, Air Ministry, London, W.C.2, 9th February, 1927.

WITH reference to your letter dated 24th January, 1927,* I am commanded by the Air Council to acquaint you, for the information of the Secretary of State for the Colonies, that the sum of £110,000 (as shewn in the enclosed statement†) will be provided in Air Estimates, 1927, in respect of defence services at Aden.

I am, however, to point out that this estimate will almost certainly be exceeded if operations, except on a minor scale, have to be undertaken.

I am, &c.,
S. DANNREUTHER.

C. 48020/27 [No. 7].

No. 65.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 66.]

(Confidential.)

SIR, Downing Street, 10th February, 1927.

I AM directed by Mr. Secretary Amery to refer to the letter from the Colonial Office of 4th November, 1926,‡ enclosing the Estimate for Middle Eastern Services for the financial year 1927, and to state, for the information of the Lords Commissioners of His Majesty's Treasury, that in view of the recent decision of the Cabinet regarding Aden (C.P.66/26) under which, with effect from 1st April, 1927, the responsibility for the political and military administration of Aden will be vested in the Secretary of State for the Colonies, and British expenditure in connection with Aden will be borne on the Vote for Middle Eastern Services administered by this Department, certain modifications in that Vote would appear to be necessary. Under the Cabinet conclusion, the military expenditure will be borne in the first instance by the War Office and Air Ministry subject to reimbursement from the Vote for Middle Eastern Services, while further additional expenditure on account of the political administration of Aden will also fall to be met from that Vote.

India Office to Government of India, telegram, 22.12.26.§

Government of India to India Office, 4.1.27.§

War Office to Colonial Office, 11.1.1927.‖

Air Ministry to Colonial Office, 9.2.1927.¶

I am accordingly to transmit to you, for the consideration of Their Lordships, copies of telegraphic correspondence which has passed between the India Office and the Government of India, and copies of letters which have been received from the War Office and the Air Ministry, as marginally detailed, together with a revised Estimate of the Vote for Middle Eastern Services for the financial year 1927.

It will be observed that the provision for the gross expenditure of £609,000 has been based on the information furnished in the correspondence now enclosed, viz.:—

Military Expenditure	... ...	£450,000
Air Force do.	... ...	£110,000
Political do.	... ...	£49,000 (net)

and I am to say that, at this stage, no further information than that now indicated is available in the Colonial Office.

* C. 48020/27 [No. 3]: not printed. † Not printed. ‡ No. 1.
§ Enclosures in C. 48020/27 [No. 1]: not printed. ‖ No 63 ¶ No. 64.

As, however, under the arrangements contemplated, the Government of India will contribute towards the military and political charges a sum of £250,000 a year for three years, which it is understood will be received in quarterly instalments, and after that £150,000 a year, or one-third of the total cost (including the cost of any Air Force units at Aden), whichever is the lesser amount, an Appropriation-in-Aid Sub-head has been included in the revised Estimate now forwarded, and this opportunity has been taken to include under this sub-head certain miscellaneous receipts which it is anticipated will accrue during the financial year 1927 in connection with Sub-head C of the Vote and from the sale of equipment, &c., fines, &c., in connection with Sub-head E, and which were previously included in the estimate of Extra Receipts payable to His Majesty's Exchequer in respect of the year 1927.

I am to suggest, for Their Lordship's consideration, that the sum of £49,000 (net) on account of political expenditure should be shown as a "Grant-in-Aid to the Aden administration."

I am, &c.,
J. E. SHUCKBURGH.

C. 48020/27 [No. 8].

No. 66.

TREASURY to COLONIAL OFFICE.

(F.9811.)

SIR, Treasury Chambers, 17th February, 1927.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury your letter of 10th instant* relative to the provision to be made in the Middle East Estimates for Aden.

My Lords note that it is proposed to provide for a total expenditure of £609,000, including £450,000 for military expenditure and £110,000 for air expenditure. They regret to be unable to accept these figures. As the Secretary of State is aware, His Majesty's Government decided to agree to the proposed changes in the administration of Aden on the understanding that the Committee of Chiefs of Staff should be instructed that the Cabinet desire that the defence of Aden should be reduced to a less costly basis and should be asked to advise the Imperial Defence Committee whether this reduction can be effected by one means or another. My Lords understand that the Committee of Chiefs of Staff are still considering the matter, but in view of the general financial position They consider that it is urgently necessary that, pending Their report, the Estimates should be based on reduced figures of expenditure. They accordingly propose to reduce the Middle East Estimate by £100,000 under this head, in order to provide for contingent economies, and the gross cost of Aden will therefore be shown as £509,000.

I am, &c.,
G. L. BARSTOW.

C. 48020/27 [No. 9].

No. 67.

COLONIAL OFFICE to INDIA OFFICE.

SIR, Downing Street, 23rd February, 1927.

I AM directed by Mr. Secretary Amery to refer to the semi-official letter from your Department of 10th January, 1927,† enclosing a copy of the telegraphic correspondence with the Government of India, as noted in the margin, regarding the estimated political expenditure at Aden during the year 1927, and to inform you that the sum of £49,000 was included therefor in the draft Estimate of the Vote for Middle Eastern Services for the coming financial year.

To Government of India dated 22.12.26.

From Government of India, 4.1.27.

Provision to the extent of £560,000 was also made on account of defence expenditure, making a total of £609,000, whilst the sum of £250,000 was included under "Appropriation-in-Aid" in respect of the contribution of the Government of India.

* No. 65. † C 48020/27 [No. 1]: not printed.

2. The Lords Commissioners of the Treasury have, however, reduced the gross provision of £609,000 by £100,000, and I am to state that Mr. Amery is anxious that the question of the expenditure essential for the political administration of Aden should be investigated at an early date. I am accordingly to suggest that, should Lord Birkenhead see no objection, a conference should take place between representatives of the Colonial Office and India Office to discuss the matter.

I am, &c.,
A. J. HARDING.

C. 48020/27 [No. 10].

No. 68.

COLONIAL OFFICE to WAR OFFICE.

[*Answered by No.* 71.]

(Confidential.)

SIR, Downing Street, 23rd February, 1927.

I AM directed by Mr Secretary Amery to refer to Mr. Widdow's letter of 11th January, 1927,* regarding provision in the draft Army Estimates 1927 to meet the full military expenditure at Aden subject to recovery from the Vote for Middle Eastern Services as a result of the Cabinet decision (C.P. 66/26) under which responsibility for the political and military administration of Aden is vested in the Secretary of State for the Colonies, and to transmit to you, for the information of the Army Council, a copy of a letter† which has been received from the Treasury on the subject.

2. I am to state that a sum of £609,000 was included in the draft Estimate of the Vote for Middle Eastern Services for 1927, and was made up as follows:—

Military Expenditure	...	...	£450,000
Air Force do.	...	...	£110,000
Political do.	...	...	£49,000 (net)
Total	...	...	£609,000

whilst a sum of £250,000 was included under Appropriations-in-Aid in respect of the contribution from the Government of India. The Council will observe, however, that the Lords Commissioners of the Treasury have been unable to accept these figures in view of the instructions issued to the Committee of Chiefs of Staff to the effect that the Cabinet desired that the defence of Aden should be reduced to a less costly basis, and in anticipation of effect being given to these arrangements Their Lordships have reduced the gross provision for Aden in the Middle Eastern Services Vote for 1927 to £509,000 and have closed the Vote.

3. Mr. Amery would accordingly be glad to learn whether the detailed information referred to in the War Office letter of 11th January, 1927, is yet available. He would also be glad to be furnished at an early date with the observations of the Army Council on details of the provision required for military expenditure in Aden in 1927 in view of the considerations advanced in the enclosure, and the limitations now imposed on the provision in the Vote for Middle Eastern Services for 1927.

I am, &c.,
A. J. HARDING.

C. 48020/27 [No. 11].

No. 69.

COLONIAL OFFICE to AIR MINISTRY.

[*Answered by No.* 72.]

(Confidential.)

SIR, Downing Street, 23rd February, 1927.

I AM directed by Mr. Secretary Amery to refer to Sir S. Dannreuther's letter of the 9th February, 1927,‡ regarding the provision required to be made in the Vote for

* No. 63. † No. 66. ‡ No. 64.

Middle Eastern Services 1927 in respect of air expenditure on defence services at Aden as a result of the Cabinet decision (C.P. 66/26) under which responsibility for the political and military Administration of Aden is vested in the Secretary of State for the Colonies, and to transmit to you, for the information of the Air Council, a copy of a letter* which has been received from the Treasury on the subject.

2. I am to state that a sum of £609,000 included in the draft Estimate of the Vote for Middle Eastern Services for 1927 is as follows:—

	£	
Military Expenditure	450,000	
Air Force do.	110,000	
Political do.	49,000	(net)
Total ...	£609,000	

whilst a sum of £250,000 was included under "Appropriations-in-Aid" in respect of the contribution from the Government of India. The Council will observe, however, that the Lords Commissioners of the Treasury have been unable to accept these figures in view of the instructions issued to the Committee of Chiefs of Staff to the effect that the Cabinet desired that the defence of Aden should be reduced to a less costly basis, and in anticipation of effect being given to these arrangements Their Lordships have reduced the gross provision for Aden in the Middle Eastern Services Vote for 1927 to £509,000, and have closed the Vote.

3. Mr. Amery would accordingly be glad to be furnished at an early date with the observations of the Air Council on the details of the provision required for air expenditure at Aden in 1927 in view of the considerations advanced in the enclosure and the limitations now imposed on this provision in the Vote for Middle Eastern Services for the year 1927.

I am, &c,
A. J. HARDING.

C. 48020/27 [No. 12].

No. 70.

WAR OFFICE to TREASURY.

(Received in Colonial Office 26th February, 1927.)

SIR, War Office, 24th February, 1927.

IN reply to your letter No. F. 9811 of the 19th instant, relative to the provision of £450,000 for Aden in Army Estimates, 1927, I am commanded by the Army Council to say that immediately upon the settlement of the total of Estimates on the lines recorded in Cabinet paper N.E. 47, the volume was modified accordingly and sent to Press as it was understood that Army Estimates had to be taken in the House of Commons at an early date to meet the exigencies of the Parliamentary situation. It is now too late to amend the figure. As Their Lordships are aware, the total of the Estimates was settled this year at an unusually late date, and the book was by that time practically ready for Press.

The alterations now suggested would imply a reduction of the military garrison of Aden which the Council would not feel at liberty to assume in the Estimates in anticipation of the recommendation of the Committee of Chiefs of Staff and the decision of His Majesty's Government thereon.

In all their calculations the Council have assumed that they would receive from Middle East Votes such an amount as would re-imburse them for the expense of the Aden garrison, and they are bound to press for the payment of such a sum (now estimated at £450,000) as will not cause a deficit on this item in Army Estimates, which, as Their Lordships are aware, have been drawn with the narrowest possible margir.

A copy of this letter has been sent to the Colonial Office

I am, &c.,
H. J. CREEDY.

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* No. 66.

C. 48020/27 [No. 14].

No. 71.

WAR OFFICE to COLONIAL OFFICE.

SIR, The War Office, London, S.W.1, 4th March, 1927.

WITH reference to your letter of the 23rd February,* on the subject of the provision required in Estimates 1927 in respect of the military expenditure in Aden, I am commanded by the Army Council to refer you to their letter on this subject to the Treasury, dated 24th February, 1927,† a copy of which was sent to the Colonial Office. As regards paragraph 3 of your letter under reply I am to inform you that the detailed estimate referred to in War Office letter of the 11th January, 1927,‡ has not yet been received from the Government of India.

I am to enclose a copy of a telegram received by the India Office from the Government of India on this subject from which it will be observed that the total cost of the garrison, exclusive of marine, is estimated at 58,82,000 rupees, roughly £441,000, and that details will be forwarded shortly. I am to explain that the Government of India's estimate does not include expenditure, on furlough pay, &c , by the India Office in this country in respect of the Aden garrison. This is estimated at some £20,000 a year and should be added to the Estimate of £441,000.

Pending receipt of these details it is regretted that the Council are not in a position to offer any useful observations on the estimate of necessary expenditure.

I am, &c.,
A. E. WIDDOWS.

Enclosure in No. 71.

FROM VICEROY, FINANCE DEPARTMENT (MILITARY FINANCE), to SECRETARY OF STATE FOR INDIA.

(Dated New Delhi, 17th February, 1927.)

(Received 17th February, 1927.)

480 Accts./Camp. Your telegram dated 3rd February No. 336, Aden. Figures in this telegram are in thousands of rupees.

1926-27. Moiety of extra cost recoverable from the War Office, 527.

1927-28. Total cost of garrisons under Army and Military Works Services, 5882. Detailed statement(s) under heading(s) mentioned in enclosure in War Office letter No. 16—Estimates—323—F. 1, 5th October, will be forwarded shortly. Figures for Marine will be telegraphed in near future.

C. 48020/27 [No. 17].

No. 72.

AIR MINISTRY to COLONIAL OFFICE.

(Secret.)

SIR, Air Ministry, London, W.C.2, 8th March, 1927.

IN reply to your letter of the 23rd ultimo,§ I am commanded by the Air Council to acquaint you, for the information of the Secretary of State for the Colonies, that the sum of £110,000 provided in Air Estimates 1927 as receivable from the Vote for Middle Eastern Services in respect of the Royal Air Force at Aden represents only the estimated cost during the financial year of the squadron to be stationed there on the assumption that it will remain for the whole year.

If the facts should accord with this assumption, the Air Council can hold out no hope of effecting any saving and, as stated in the Air Ministry letter to which you refer, the expenditure will almost certainly exceed this estimate if operations, except on a minor scale, have to be undertaken.

I am, &c ,
H. McANALLY.

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* No. 68 † No. 70. ‡ No. 63. § No. 69.

C. 48020/27 [No. 15].

No. 73.

ADEN.

THE SECRETARY OF STATE to THE RESIDENT

(Sent 2 p m., 17th March, 1927.)

TELEGRAM.

[*Answered by No.* 74.]

MY telegram of 1st March * Future Administration of Aden. Please send by mail as soon as possible details of estimated revenue and expenditure of Aden for 1926-27 and 1927-28 indicating against each head or item of expenditure whether you consider that it is incurred on (*a*) the internal municipal administration of Settlement or (*b*) the Protectorate or (*c*) other services, and giving similar information as regards revenue.

If any item falls into more than one category, approximate division should be given with explanation of basis adopted.—AMERY.

C. 48020/27 [No. 24].

No. 74.

ADEN.

THE ACTING POLITICAL RESIDENT to THE SECRETARY OF STATE.

(Received 11th April, 1927.)

(No. 65.)

SIR, Aden Residency, 30th March, 1927.

WITH reference to your telegram dated 17th March,† I have the honour to forward a statement,‡ in duplicate, showing the estimated revenue and expenditure for the financial years 1926-27 and 1927-28.

2. The officers and Establishments, &c., under " 29 Political " are partly *Political* and partly *Civil* and, in my opinion, the approximate division of the expenditure under this head should be in the proportions I have shown in columns A and B.

3. With the exception of " 44 Territorial and Political Pensions " and " 47 Miscellaneous," which are wholly *Political*, the expenditure under the remaining heads is wholly *Civil*.

4. No information as to the revenue and expenditure of the Postal Department, which is under the direct control of the Postmaster-General, Bombay, is available in Aden.

5. I am forwarding copies of this letter and statement to the Government of Bombay, who have asked for similar information.

I have, &c.
T. C. FOWLE,
for Political Resident, Aden.

C. 48020/27 [No. 25].

No. 75.

COLONIAL OFFICE to INDIA OFFICE.

SIR, Downing Street, 3rd May, 1927.

WITH reference to the letter from this Department of 21st March,§ I am directed by Mr. Secretary Amery to transmit to you, for the information of the Earl of Birkenhead, a copy of a despatch‖ from the Resident of Aden, giving the figures of the estimated revenue and expenditure of Aden for the financial years 1926-27 and 1927-28, and the allocation which the Resident considers should be made between :—

(*a*) Expenditure incurred on the internal municipal administration of the Aden Settlement;

(*b*) Expenditure incurred on the Protectorate; and

(*c*) Expenditure incurred on other services.

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* C. 48041/27 [No. 9] : not printed. † No 73. ‡ *See* Section II, 6.
§ C. 48020/27 [No. 15A] : not printed. ‖ No. 74.

2. The Secretary of State would be glad to be furnished as soon as possible with any observations which the Government of India may make on the Resident's figures. From the telegram of 31st March from the Viceroy of India to the Secretary of State for India. it would appear that to the Protectorate Expenditure total of Rs. 2,88,862 (Column B of enclosure to despatch) there must be added the sum of Rs. 57,500, being half the total estimated cost of the hiring when required of a steamer belonging to Messrs. Cowasjee & Dinshaw under a contract with that firm, the other half being charged as military expenditure. Against this Rs. 57,500 must presumably be set half of the Rs. 50,000 at present payable by the Board of Trade as a contribution to cover the use made of the vessel by that Department in connection with the Red Sea Lighthouses. On this basis, the present expenditure on Protectorate Services works out at—

	Rs. 2,88,862
+	Rs. 57,500
−	Rs. 25,000
Total	Rs. 3,21,362.

I am, &c.,
J. E. SHUCKBURGH.

C. 59274/28 [No. 8].

No. 76.

COPY OF TELEGRAM FROM VICEROY, FOREIGN AND POLITICAL DEPARTMENT, TO SECRETARY OF STATE FOR INDIA

Dated new Delhi, 15th March, 1928.

(Received Colonial Office, 21st March, 1928.)

(Extract.)

567-S. YOUR telegram No. 371 of 8th February. Aden expenditure. We agree with the views expressed by the Government of Bombay in paragraphs 1 to 7 of their letter 669/2C, 11th August, as modified by their letters 669/3C, 26th December, and 16th January, copies of which were sent by the mails of the 19th and 26th January. Of the items mentioned in paragraph 6 of letter of the 11th August, wholly civil items will be borne by the Government of India, and wholly political items by His Majesty's Government Remainder we suggest may be divided between the Government of India, and His Majesty's Government, in the proportion of 2 to 1, subject to reconsideration say at the end of 3 years.

* * * * * * * * * *

NOTE.—The decision in regard to the division of expenditure at Aden as between India and His Majesty's Government will befound in Middle East No 22.

Printed for the use of the Colonial Office.

Middle East
No. 16.

Confidential.

PALESTINE.

ESTIMATES AND FINANCES

for the Nine Months ending 31st December, 1927.

CORRESPONDENCE

[April, 1927, to April, 1928.]

(*Continued by Middle East No.* 18.)

COLONIAL OFFICE,
NOVEMBER, 1928

Printed for the use of the Colonial Office.

Middle East
No. 16.

Confidential.

PALESTINE.

ESTIMATES AND FINANCES

for the Nine Months ending 31st December, 1927.

CORRESPONDENCE

[April, 1927, to April, 1928.]

(*Continued by Middle East No.* 18.)

COLONIAL OFFICE,
NOVEMBER, 1928

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2 To Treasury ... ... June 9	Transmits, with observations, extract from the draft Estimates, containing details of the estimated expenditure under Head XXI, Trans-Jordan Frontier Force, and Head XXVIII, Construction of Quarters at Ma'an and Amman, for the nine months ending 31st December, 1927, and proposes to approve a total expenditure under this Head of £E178,790, on the understanding that the grant-in-aid for the year ending 31st March, 1928, will not in any circumstances exceed £45,000, the amount provided for in the Middle Eastern Services Estimate 21
3 Treasury, (S. 31965) .. ... June 30	With reference to No. 2, confirms the amount of grants-in-aid of the cost of the quarters at Ma'an and Amman as being one-half and one-sixth respectively; and concurs in the draft Estimates providing £E178,790 on the understanding that the grant-in-aid for the full year ending 31st March, 1928, will not exceed £45,000 22
4 To the Officer Administering the Government, 938 ... ... July 21	With reference to No. 1, agrees that the 1927 deficit be met from surplus balances, and is prepared to approve the draft Estimates (except those for the Trans-Jordan Frontier Force), subject to comments offered in memorandum enclosed. Points out that only approximately £E36,000 will be forthcoming as the grant-in-aid of the Frontier Force and that about £E22,668 will have to be provided towards cost of R.A.F. and armoured cars in Palestine and Trans-Jordan. Calls for a general financial review and for an opinion regarding unemployment relief 23
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PALESTINE.
ESTIMATES AND FINANCES
for the Nine Months ending 31st December, 1927.

CORRESPONDENCE
[April, 1927, to April, 1928.]

C. 44356/27 [No. 5]

No. 1.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 19th April, 1927.)

[*Answered by No.* 4.]

(No. 500.)

SIR, Government Offices, Jerusalem, 5th April, 1927.

I HAVE the honour to submit, for your consideration, draft Estimates of the Palestine Government for the nine months ending the 31st December, 1927.

2. The total Revenue for the nine months is estimated at £E1,857,863, inclusive of a Grant-in-Aid of £E63,663 for the Trans-Jordan Frontier Force. The ordinary Expenditure is estimated at £E1,625,346, inclusive of the sum of £E129,390 for the Trans-Jordan Frontier Force; and the extraordinary Expenditure is estimated at £E364,240, or a total Expenditure for the nine months of £E1,989,586. There is, therefore, an estimated deficit of £E131,723 for the nine months ending the 31st December next.

3. I have caused provision to be made in these Estimates, under appropriate Expenditure heads, for the revised grades and classes of Senior Service officers as approved by you; but the emoluments of the graded clerical establishment have been inserted in the Estimates at the former approved rates of pay. As soon as a decision has been taken on the subject of the new rates of pay of the Clerical Service, recommendations regarding the pensionable establishment and holders of posts will be submitted. I hope that next year it will be possible to distinguish in the Estimates between pensionable offices and those that are not pensionable, as is the practice elsewhere.

4. I realise that a margin of £E232,517 between Revenue (including the Grant-in-Aid) and ordinary Expenditure is insufficient for the carrying out of the contemplated programme of Extraordinary Works, and that only a small part of the surplus balance may be available for this purpose. I am also mindful of the commitments of future years on account of increased Public Debt and Loan Charges and of the probable necessity for providing further funds for land settlement work. At the same time, it is, I think, essential that, during the present economic depression of the country, Government should use a portion of the surplus balances accumulated in boom years for the carrying out of Extraordinary Works which are urgently required and will provide employment in hard times.

5. I am conscious of the necessity of pursuing a prudent financial policy in a country in which economic conditions fluctuate as greatly as they do in Palestine, but the taxpayer of Palestine has, I feel, the right to expect reasonable and progressive development of public services within the economic limitations of the country.

6. The state of public security in Palestine has been hitherto eminently satisfactory, but it would be foolish to expect a continuance of this if the situation of the labour market became acute and the numbers of unemployed, already considerable, increased.

There is no more costly or unsatisfactory form of expenditure than that which has to be incurred for the repression of disorder, and this country is not likely to be immune from mischievous persons who would take advantage of any opportunity to make such expenditure necessary.

7. I am therefore loth further to curtail services or to increase taxation in order to bring about financial equilibrium in a period when it is admitted that estimated Expenditure is disproportionate either to annual requirements or to estimated Revenue for the period, and until the economic and revenue position has become more stable.

8. The figures of estimated Revenue and Expenditure indicate very clearly that Palestine could maintain herself and make such steady economic progress as would

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ensure an atmosphere of general contentment if she were not hindered with the provision of funds to meet the requirements of Trans-Jordan, and of this the people themselves are becoming aware.

REVENUE.

9. Turning to details of Revenue:—

I. *Customs*—Decrease £E250,000.

The actual receipts under this Head for the nine months ended the 31st December last amounted to £E591,572; and it is improbable that the receipts for the nine months ending the 31st December next will exceed the amount of £E600,100 inserted in these Estimates.

III. *Licences, Taxes, &c.*—Decrease £E212,100.

As explained in the remarks column of the Estimates, the majority of licence fees are renewable annually in January, and receipts during the period of estimate are from occasional licences issued after the 1st of April; consequently, only a small portion of the annual fees are collected in the period of nine months' estimate. Road transport licence fees (Item 5) are, however, paid in quarterly and half-yearly instalments as well as annually, and woodcutting and charcoal licence fees (Item 7) are payable throughout the year.

The bulk of the Animal Tax (Item 12) is usually collected in the month of March, and it is not anticipated that receipts for the period of estimate will exceed the sum of £E19,202 collected in the corresponding period of the current year.

The bulk of the House and Land Tax (Item 13) and Tithes (Item 14), however, is collected in the months September to March, and the amount of £E160,000 in these Estimates for each of these taxes compares with collections during the corresponding period of the current year of £E151,949 and £E146,984, respectively.

The decrease under Salt Duties (Item 16) is due to the proposed revision in the rate of Excise Duty.

Increased receipts from Wine and Spirit Excise Duties (Item 18) should result from the improved administration of this tax under the Wine and Spirit Excise Duty Ordinance, 1927.

The Matches Excise Ordinance, 1927, is estimated to produce the sum of £E1,500 from duties imposed under the Ordinance.

IV. *Fees of Court*—Decrease of £E66,100.

There are decreases under this Head in receipts from Passport Fees (Item 5), Quarantine Fees (Item 6), and Registration of Immigrants (Item 8), owing to the curtailment of immigration.

The decreases in receipts from the Registration of Citizenship and Naturalisation Fees (Item 9) is mainly due to the fee for naturalisation from PT.100 to PT.50, and to slower progress in registration than was originally estimated.

The estimate of £E60,000 from Registration of Land Fees (Item 10) should be realised during the nine months ending 31st December next. The actual receipts from the corresponding nine months of the current year were £E54,739, but a larger number of transactions are anticipated in the coming year.

The increase in the estimate of Hospital Receipts (Item 14) should result from the proposed establishment of wards at the Government hospitals at Jerusalem, Jaffa, and Haifa for the treatment of the families of British officers.

V. *Posts and Telegraphs*—Decrease £E24,400.

The estimated receipts under this Head are increased for the nine months ending 31st December next by the inclusion of the value of services rendered by the Posts and Telegraphs Department to other departments. The receipts from Telegraphs, however, are adversely affected by the loss of transit dues on Syrian traffic now carried direct by wireless.

VI. *Railways*—Decrease £E102,500.

Receipts in respect of services rendered by the Railways to other departments, previously shewn separately under Item 4, are now shewn under Items 1 and 2, Coaching and Goods. The Acting General Manager, Railways, states that the curtailment of

immigration, the present trade depression, and road competition are adversely affecting coaching receipts. He, however, estimates the Railway revenue for nine months at £E307,500, as compared with actual collections of £E262,570 for the corresponding period of the current year.

I have dealt with the method of estimating Railway services and the financial position of the Railway in my remarks on the Expenditure Estimates.

VII. *Revenue from Government Property*—Decrease £E1,200.

The bulk of the revenue from State Domains is collected in the months September to March, as in the case of the Tithe. The estimated receipts of £E9,000 from State Domains (Item 1) compare with £E9,142 collected in the corresponding period of the current year.

VIII. *Interest*—Increase £E2,400.

The estimated receipts from interest include interest on bank balances, on Government loans to municipalities, and towards the construction of the Petah-Tikvah Railway.

IX. *Grant-in-Aid*—Decrease £E41,637.

The details of the estimate under this Head are set out in the remarks column of the Estimates.

EXPENDITURE.

10. Turning to details of Expenditure:—

I. *Pensions*—Decrease £E4,450.

The particulars of pensions payable under Items 1 and 2 are set out in Appendix B.*

The particulars of pensions payable to ex-Turkish Government employees (Item 3) are contained in the schedule to the Pensions (Ottoman Service) Ordinance, 1926, and subsequent amendments.

II.—*Public Debt and Loan Charges*—Decrease £E179,000.

Provision has been made for interest on advances (Item 1) from the Crown Agents for four months only, pending the issue of the loan.

It is anticipated that the projected Palestine loan will be raised in time to admit of payment in 1927 of the first half-year's interest charges, and provision has been made under Item 2 accordingly.

As the payment of the annuity under the Peace Treaty has been deferred, no provision for this service has been made in these Estimates.

III. *His Excellency the High Commissioner*—Decrease £E1,760.

The provision of £E200 under Item 13 is for the replacement of furniture and effects for Government House.

IV. *Secretariat*—Decrease £E18,119.

The provision for the Permits Section has been transferred to Head XVIII, Police and Prisons.

The estimates under this Head provide for increases in establishment as under:—

Item 13, Chief Clerk, £E300—10—550;
Item 19, 1 Clerk, grade II;
Item 23, 2 Clerks, grade V;
Item 56, 1 Storekeeper, grade II;

and for decreases, as under:—

Item 16, 2 Clerks, grade I;
Item 57, 1 Storekeeper, grade III.

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* Not printed.

It is proposed to create a new post of Chief Clerk by the promotion of a grade I. clerk, and recommendations for filling the post and the commencing salary of the holder will be submitted in due course. The designation of Chief Clerk has been adopted as being more suitable than that of Office Superintendent.

The post of grade I clerk to be vacated by the promotion of the holder to the post of Chief Clerk will be abolished; and an additional post of grade I clerk has been abolished, owing to the transfer of the present holder to another department and the substitution of a clerk in grade II.

The retention of two temporary grade V clerks (Item 23) previously paid from the provision for extra clerical assistance is essential; the provision under Item 28 has been reduced accordingly.

The increase under Item 56 is to provide for the promotion of the Storekeeper, who has been at the maximum of grade III since the 1st November, 1925, to grade II; and a corresponding decrease is shown under Item 57.

The provision for railway fares and freight (Items 65 and 80) has been increased to provide in 1927 for the issue of free railway warrants in accordance with revised regulations.

V. *District Administration*—Decrease £E23,246.

The Estimates include provision for the new post of Deputy District Commissioner (Item 6), as approved by you. Provision for the post of Assistant District Commissioner (Item 5) has been deleted.

I have provided in these Estimates for Entertainment Allowance (Item 8) at the rate of £E100 per annum to the Deputy District Commissioner, Jerusalem, and have deleted the provision for Entertainment Allowances (Items 11 and 15) to Assistant District Commissioners and District Officers.

The post of grade I clerk at Gaza has been abolished, and the provision under Item 22 is reduced accordingly.

VI. *Legal Department*—Decrease £E2,072.

The provision under Item 5 includes salary for the Director of Legal Studies for four and a half months only viz., April, May, June, and 16th November to 31st December, 1927.

Provision has been made in these Estimates for a personal allowance (Item 8) to the Government Advocate at the rate of £E75 per annum.

In view of the enactment of the Crown Actions Ordinance, 1926, whereby Government is required to pay costs and advocates' fees in all cases where judgment is given against them, the provision under Item 20 has been increased by £E125.

VII. *Judicial Department*—Decrease £E11,838.

I have addressed you separately on the subject of the revision of the salary scales of Members of the Supreme Court, Presidents and Members of District Courts, Members of Land Courts, and Senior Magistrates; and I have caused provision to be made in these Estimates in accordance with those recommendations.

The posts of Judicial Inspectors have been abolished, and provision inserted for the appointments of Relieving President, District Court (Item 10), Senior Magistrate (Item 19), and additional Magistrate (Item 22), as approved by you.

The Chief Justice has asked for substantial increases in the clerical service of the Courts and Process Servers to cope with the continued increase of litigation. For the present, however, I have provided in these Estimates the sum of £E500 for extra clerical assistance (Item 31) and the sum of £E200 for temporary Process Servers (Item 33).

On the representation of the Moslem Supreme Council, a new post of Chief Clerk (Item 41) has been created to supervise, under the Moslem Supreme Council, the clerical work of the Shari'a Courts.

The provision for law books under Item 57 has been increased by £E100 to supplement the establishment of a Central Law Library, for which an initial grant of £E300 was authorised in your despatch No. 1391 of the 11th October, 1926.*

* 18690/26; not printed.

The provision of £E175 for typewriters (Item 58) is for the purchase of five typewriters to replace old machines which have been in use since the Occupation.

The sum of £E48 is provided under Item 61 for the purchase of six bicycles for the use of Process Servers in Jerusalem, Jaffa, and Haifa.

VIII. *Treasury*—Decrease £E4,527.

I have provided in these Estimates for an additional appointment of Senior Assistant Treasurer (Item 8), approved in your despatch No. 258 of the 25th of February, 1927,* and for two new appointments of grade I clerks (Item 18) and one clerk grade II (Item 20) in place of three Accountants (Item 15) whose posts I informed you in my despatch No. 130 of the 25th January last† it was proposed to abolish.

I have deleted provision for the appointment of Assistant Inspector of Revenue (Item 14) owing to the difficulty of finding a suitable candidate for the post. It is proposed to continue the employment of a temporary District Tithe Inspector for the tithing season only, the cost of which will be met from the provision for Expenses of Tithes Estimation (Head V, Item 46) as heretofore.

IX. *Audit Department*—Decrease £E1,615.

The provision for grade II clerks (Item 11) has been reduced by one appointment, and the provision for grade IV clerks (item 14) increased by two.

It has been necessary to increase the cost of Railway Audit, the establishment of which has been increased by one grade V clerk. The Railway contribution has been increased by this addition and by annual increments to officers.

X. *Customs, Excise and Trade*—Decrease £E8,294.

The Estimates include provision for the following new appointments:—

Item 3, Deputy Director, Class I;
Item 12, 1 Collector, Class II;
Item 23, 1 Officer of Customs and Excise, Class II;
Item 26, 1 Officer of Customs and Excise, Class IV;
Item 28, 1 Officer of Customs and Excise, Class V;
Item 33, 1 Tobacco Factory Officer;
Item 35, 11 Guards.

The creation of the new appointments of Deputy Director (Item 3) and Collector (Item 12) has been approved by you; the provision for Inspectors (Item 6) has been reduced from two to one.

The additional officers of Customs and Excise are required for Excise work, which is rapidly increasing, for Customs Houses at the Ports of Haifa and Jaffa which are understaffed, and for the new Customs post at Auja el Hafir.

It has also been necessary to include provision for an additional Tobacco Factory Officer, and to improve the rates of pay of these officers. The Director of Customs states that it is difficult to obtain suitable candidates of integrity and capability at present rates of pay. These officers have responsible duties and the new rates of pay are considered to be the lowest compatible with those duties that will ensure honest and efficient service.

The increased number of guards is essential in the interest of the detection and prevention of smuggling and in controlling the movement of goods at the Ports. Of the eleven new appointments, two are required for the new Customs Post at Auja el Hafir, one at Allenby Bridge, one at Beisan, and seven at Haifa and Jaffa.

Provision has been made under Item 30 for the increase in the monthly rate of pay of the Accountant from £E20 to £E21. This officer is not on an incremental scale.

The increases under Other Charges of this Head are explained in the remarks column of the Estimates against the respective items.

* P.F. 20541/M.E.; not printed.

† C. 44013/27 [No. 66]; not printed.

XI. *Department of Health*—Decrease £E19,776.

The Estimates under this Head provide for the following increases in establishment:—

Hospitals.

Item 30, 1 Matron;
Item 35, 3 Staff Nurses;
Item 45, 2 Hospital Attendants;
Item 46, 4 Hospital Servants.

The additional appointments of Matron, Staff Nurses, and one Hospital Servant are required for the British section of the Government hospitals at Jerusalem, Jaffa, and Haifa: the Matron will provide a Nursing Sister for the British section of the hospital at Jerusalem.

The increase in the bed strength of the Mental Hospital at Bethlehem has necessitated new appointments of two Attendants and three Servants.

Sanitary and Epidemic.

Item 54. 1 Clerk, grade IV;
Item 56, 1 Clerk, grade V;
Item 59, 6 Sanitary Sub-Inspectors, grade V.

The two new appointments of clerks are required for the recently-established Health Office Branch at Tel-Aviv.

The necessity for the increase of six Sanitary Sub-Inspectors for Jewish colonies was reported to you in my despatch No. 66 of the 12th January, 1927.*

The increases under Other Charges are explained in the remarks column of the Estimates. It has, in certain cases, been necessary to provide for more than three-quarters of yearly requirements owing to the necessity for obtaining supplies and providing services to meet seasonable requirements.

XII. *Department of Education*—Decrease £E27,539.

Owing to the financial position, I have not been able to provide in these Estimates for the development of education I had originally hoped.

The changes in establishment are as under:—

Administration.

Increases.	*Decreases.*
Item 4, 1 Assistant Director, Class I.	Item 7, 1 Senior Education Officer, Class II.
Item 16, 1 Clerk, grade I.	
Item 21, 1 Clerk, grade IV.	Item 23, 1 Clerk, grade V.

Women's Elementary Training College.

Item 37, 1 Assistant Head Mistress, grade I.	Item 39, 1 Assistant Mistress, grade III.

Town Schools.

Item 42. 2 Teachers, grade I.	Item 47, 1 Teacher, grade IV.
Item 45, 4 Teachers, grade III.	Item 50, 14 Teachers, grade VI.
Item 49, 34 Teachers, grade V.	

Village Schools.

Item 55, 5 Teachers, grade V.	Item 57, 25 Teachers, grade VI.

The new appointment of Assistant Director (Item 4) and the reduction of one appointment of Senior Education Officer (Item 7) have been referred to you in my despatch No. 1452 of the 13th December, 1926.†

* C. 44013/27 [No. 34]; not printed. † C. 23958/26; not printed.

The increase of one grade I clerk (Item 16) is due to the necessity for enlarging the Jewish clerical staff owing to the closer supervision now exercised over Jewish schools.

An additional post of grade IV clerk is required and has been met by a corresponding reduction in the number of grade V clerks (Item 23).

The revision of the grade of Assistant Mistress in the Women's Elementary Training College (Items 37 and 39) was approved by you in despatch No. 1479 of the 2nd November, 1926.*

It has also been necessary slightly to increase the provision for servants and cleaners for training colleges and town schools owing to the increase in the number of classes.

As regards the changes in the establishment of town and village school teachers, the Director of Education states:—

"The principal increase in my estimates as compared with those of 1926-27 is in respect of teaching personnel and arises from:—

(a) The substitution of higher for lower teaching posts in order to increase the efficiency of the secondary sections which are still much below their proper establishment of University graduate teachers;

(b) The substitution of trained for untrained teachers in the elementary schools;

(c) Normal increments and promotions of existing personnel;

(d) A net provision of 25 new posts.

"2. (a), (b), and (c) require no comment. (d) is necessary in order to provide teachers—

(i) For villages hitherto without schools, which have prepared, or are preparing, buildings and furniture in accordance with the policy of village education of the last six and a-half years;

(ii) For the increasing number of classes in existing town schools.

"3. In this connection, I must point out that about sixty trained teachers will pass out of the men's and women's colleges in July, 1927, and must be given posts. This number is above the normal owing to the simultaneous 'graduation' from the Men's Elementary Training College of the large 1923 class of entries and of the 1924 class. The 'graduation' of the 1923 class has been deferred one year to secure greater efficiency, while, owing to the reforms in the system of recruitment and training, the 1924 and subsequent classes are able to pass out with higher qualifications than preceding classes, though after a shorter period of study in the Men's Elementary Training College.

"4. It will thus be seen that, on the balance, about 35 existing teachers must be dismissed to make place for these classes. Dismissals will usually be made from the uncertificated teachers' grade (grade VI, Junior Service), while appointments of certificated students from the training colleges are made in grade V, Junior Service. I have therefore provided for an increase in the number of grade V posts (Item 49) and a decrease of twenty-five grade VI posts (Item 57). Since all but five of the grade VI posts now occupied are held in villages, the revised estimates show a reduction of twenty such posts in village schools. All the new posts are shown in the town cadre. It is not, however, intended necessarily to diminish the number of village posts, and a transfer of posts from the town to the village cadre will be made later when the needs of the villages can be more accurately ascertained. This transfer will be merely a formal adjustment involving no increased financial commitment.

In this connection I would again draw your attention to the inconvenience arising from the distinction which the estimates make between the town and village cadre.

"5. Though dismissals, naturally, are made from among uncertificated teachers, it has not been necessary to show the full number of thirty-five as subtracted from grade VI, Junior Service, since a number of posts hitherto shown in the estimates under grade V, Junior Service, have been actually held by persons drawing salaries in the lower grade.

"6. In connection with the increase of the number of students passing out from the training colleges, I have to point out that the present situation will not recur. It is probable that, in future, students under training may be

* P.F. 28121/M E.; not printed.

put on contract only from the September of their last year of study, and thus the estimate of output will be made at short range, in accordance with the financial situation as envisaged not more than six months in advance.

. . . . . .

I regret the necessity for the expansion of the teaching cadre at a time when economy is desired. It will, however, be clear from paragraphs 4 and 6 above that any further restriction of expansion will involve further dismissals. On the revised estimates I must dismiss one in nineteen of the existing staff, and if no expansion at all is allowed I must dismiss one in eleven. Dismissal of teachers on the ground of economy is always to be deprecated, causing, as it is bound to do, hardship if not injustice, and should never be undertaken unless as a last resort. I am of opinion that present circumstances do not call for dismissals on such a scale as is provided in my revised estimates, and I must lodge a formal protest against this retrenchment.

" 9. I have already pointed out that the expansion here contemplated is not necessarily of a recurrent nature, and that the commitments and obligations of the Government in respect of newly-certificated teachers can in future be more carefully controlled. It is further to be noted that the Government hopes, at an early date, by a reform of local taxation, to transfer certain burdens from the Central Treasury. Pending this reorganisation, it appears that it would be inexpedient hastily to dismiss efficient teachers whom it might be necessary, after a short interval, to re-engage. The situation may be further considered after the lapse of a year when proposals for the readjustment of financial burdens have been more fully developed."

The increase in the provision for Other Charges is explained in the remarks column of the Estimates. I would add, however, that the provision for grants-in-aid to non-Government schools (Item 67) is for instalments of grants that will become payable in the period of estimate, and that the amount of annual grants to schools other than Zionist schools is being increased by £E500. I would also add that the grant to the Board of Higher Studies (Item 68) has been increased by £E100 as it is considered that the previous grant was inadequate: the activities of the Board have now been extended by the introduction of Intermediate Arts and Sciences examinations to be taken subsequent to the Palestine Matriculation in 1927.

The amount provided in the Estimates for scholarships abroad (Item 74) has been increased to provide an additional scholarship in a British University.

XIII. *Agriculture and Forests*—Decrease £E13,207.

Owing to the changed financial position, it has been necessary to curtail the programme of extension of agricultural and forestry services.

The Estimates provide for the following changes in establishment:—

Administration.

Increases.	*Decreases.*
—	Item 12, 1 Clerk, grade VI.

Agriculture and Forests.

Item 30, 1 Station Superintendent, grade IV.
Item 32, 8 Farm Labourers.
Item 34, 6 Forest Rangers.
Item 39, Casual Labour, £E45.

One Station Superintendent (Item 30) and six farm labourers (Item 32) are required for the recently-established Dry Farming Station at Beersheba. Two farm labourers (Item 32) are also required for the Agricultural Station at Jericho.

As regards the increase in the number of Forest Rangers from 32 to 38, the Director of Agriculture states as under:—

"With the proclamation of reserves all over the country, more intensive methods of protection and management must be introduced. The increase in numbers may be expected to result in a more than equivalent increase in forest revenue."

A sum of £E45 has been inserted for casual labour (Item 39) for the Irrigation Service.

Veterinary.

Increases.	*Decreases.*
Item 50, 2 Headmen.	Item 48, 1 Clerk, grade IV.
4 Guards.	Item 51, 2 Dressers.
4 Inoculators.	Item 52, 1 Assistant Veterinary Officer, grade III.
Item 53, 1 Assistant Veterinary Officer, Class III.	
Item 55, 1 Laboratory Attendant, grade V.	

A station at Metullah and another at Jisr Sheikh Hussein post are considered necessary to strengthen the northern and eastern quarantine borders: a Headman and two guards will be stationed at each. The four Inoculators are required in order to bring Hebron Majdal, Ramallah, and Safad areas under better veterinary supervision.

The grade provided in the Estimates for 1926-27 for an assistant Veterinery Officer (£E192—6—240) has not attracted a candidate possessing suitable qualifications: the post is now shown in class III (£E300—10—550).

A Laboratory Attendant is also required and provision for his salary has been made in grade V.

Stock Breeding Service.

Increases.	*Decreases.*
Item 60, 1 Chief Herdsman, grade IV.	Item 62, 1 Stud Groom.
Item 64, 2 Stablemen.	
Item 65, 3 Cowmen.	
Item 66, 1 Shepherd.	
Item 67, 1 Clerk, grade IV.	

These increases are necessary in connection with the Stud Farm Scheme.

Increases under Other Charges are explained in the remarks columns of the Estimates. In some cases, owing to seasonal demands, it has been found necessary to exceed the proportionate provision for the nine months.

I have caused the provision for Afforestation to be transferred from " Special Expenditure " to " Ordinary Expenditure " under Other Charges as this has become a recurrent charge.

The provision under " Special Expenditure," Animals. Farm and Stable Equipment (Item 121), is required mainly to complete the establishment of the Stud Farm.

XIV. *Antiquities Department*—Decrease £E2,896.

Provision for the Departmental Assistant (Item 6) has been amended to accord with the grade of the present holder.

A new post of Museum Assistant (Item 8) has been created to deal with the increasing number of antiquities which are accruing to the Museum from numerous excavations. The Museum Attendant (Item 20) will be stationed at the Museum it is proposed to establish at Acre, and the grade of this officer has been reduced from grade III to grade IV.

The post of grade IV clerk (Item 18) has been abolished as the appointment of a clerk to the Chief Inspector at Haifa is not now considered necessary.

It has been necessary to increase the provision for technical equipment (Item 27) to provide for a supply of necessary technical publications and equipment.

The separation of the British School of Archæology in Jerusalem from the Department necessitates the initial outlay for the provision of sufficient working books for technical departmental reference, and an amount of £E50 for the establishment of a library has been inserted (Item 29).

A sum of £E600 has been provided for minor works (Item 37) in place of the previous provision of £E500 for emergency works: the provision is required for the consolidation of important monuments in the country.

The remaining provision under Special Expenditure is for the continuation of approved works in progress.

XV. *Land Settlement*—Increase £E7,054.

The Estimates under this Head provide for the nucleus of a Headquarters establishment of a Land Settlement Department and for three Settlement parties in the field,

including the Beisan Commission which has hitherto been shewn under Head XVII, Survey Department.

Provision is made for Sir Ernest Dowson's fees as temporary Commissioner of Lands and for the salary of a permanent Commissioner of Lands whose appointment is recommended as from the 1st October next. The retention of Sir Ernest Dowson's services until the 31st December next was approved in your despatch No. 1372 of the 11th October last.*

It is proposed to fill the posts of Land Settlements Officers and two of the three Senior Assistant Land Settlement Officers by officers seconded from the District Administration. I am addressing you separately on this matter and on the proposal that the present President of the Beisan Commission should be substantively appointed a District Administrative Officer. The Estimates under this Head therefore provide only for the special allowances of these officers and not for salaries and allowances of their substantive posts which are shewn under Head V, District Administration. I should add that it is proposed that Land Settlement Officers and Assistant Land Settlement Officers should receive special duty allowances in addition to the ordinary field and transport allowances, and a free supply of camp equipment. These officers, particularly if married, will be put to additional expense in maintaining town establishments for their families, while they are living more or less permanently in the field. I am desirous that the emoluments of these posts should be sufficiently high to attract suitable officers.

The provision of £E300 for Land Valuation is to meet the fees of private Land Valuers employed from time to time by Land Settlement Commissions.

XVI. *Land Department*—Decrease £E4,120.

The Estimates under this Head provide for an increase of one clerk, grade IV (Item 14), and one clerk, grade V (Item 16). The Director of Lands states that, while the revenue from Land Registry fees shows a considerable reduction as compared with that of the previous year, the number of land transactions is increasing

Provision has been included for extra clerical assistance (Item 18) in connection with the correction of Land Registers in Jewish Colonies. The promulgation of the Ordinance was delayed, and the provision for 1926-27 has not been expended.

The sum of £E270 has been included for the purchase of a Photostat and material (Item 30) for the photographic reproduction of documents of which copies are frequently required.

XVII. *Survey Department*—Decrease £E6,773.

The Estimates under this Head provide for the continuation of progress of triangulation and of the preliminary large-scale mapping, for increase of surveyors to form an additional cadastral party for land settlement (making two cadastral units in addition to that at Beisan), and to reinforce the technical services of the Land Registry, and for the corresponding increase in Headquarters establishment. The provision for Land Settlement Commissions has, however, been transferred to Head XV—Land Settlement.

The increases in establishment are as under:—

Item 5, 1 Inspector, Class II.
Item 17, 1 Clerk, grade III.
Item 23, 1 Computer, grade III.
Item 25, 2 Computers, grade IV.
Item 31, 1 Draughtsman, grade II.
Item 33, 2 Draughtsmen, grade III.
Item 35, 5 Draughtsmen, grade IV.
Item 37, 4 Draughtsmen, grade V.
Item 40, 3 Surveyors, grade III.
Item 42, 2 Surveyors, grade IV.
Item 44, 10 Surveyors, grade V.

The decreases in establishment are as under:—

Item 8, 1 Assistant Inspector, Class III.
Item 11, 1 Sub-Inspector, Class III.
Item 46, 3 Surveyors, grade VI.

* 18468/26; not printed.

The increases in the provision for Other Charges are also due to the increase in the activities of the Department, and are explained in the remarks column of the Estimates.

XVIII. *Police and Prisons*—Decrease £E51,835.

The Estimates under this Head now provide for the Immigration and Travel Section, previously shown under Head IV, Secretariat.

The Estimates provide for the following changes in establishment:—

Police and Prisons.

Increases.	*Decreases.*
Item 67, 1 Farrier Instructor, grade I.	Item 14, 1 Assistant Superintendent, Class III.
Item 89, 4 Kitchen Boys.	Item 36, 1 Deputy Superintendent, Class II.
Item 93, 1 Driver Constable.	Item 74, 1 Assistant Superintendent, Class III.
Item 146, 1 Gaoler, grade II.	Item 85, 1 Constable.
Item 148, 2 Sergeant Warders.	
Item 150, 2 Corporal Warders.	
Item 152, 28 Warders.	

It is proposed to abolish one post of Assistant Superintendent (Item 14) of the Criminal Investigation Department, one post of Deputy Superintendent (Item 36), and one post of Assistant Superintendent (Item 74). The provision for these posts is therefore not required.

The new appointment of Farrier Instructor (Item 67) was the subject of my despatch No. 1189 of the 12th October last.*

In my despatch No. 244 of the 15th February last† I requested authority for the grant of extra duty pay to the driver of my car, who is a constable of the British Section of the Police; and provision for the pay of this constable has been transferred from Item 85 to Item 93.

There are at present four separate detachments of British Police at Jerusalem, Haifa, Jaffa, and Nablus, and it has been necessary to increase the number of kitchen boys by four to provide two each for the detachments at Haifa and Jaffa and three for that at Jerusalem.

The Commandant has requested increases in the clerical staff of the Quartermaster's branch and District Offices; and provision in the sum of £E400 has been made for extra clerical assistance (Item 27).

The provision for Proficiency and Good Conduct Pay (Items 51, 52, 56, 57, 153, and 154) has ben increased. The number of men, however, entitled to proficiency pay is limited and the allowance is payable under Regulations; the grant of good conduct pay is also payable under approved Regulations. I am not desirous of amending the Regulations to curtail these allowances.

The disbandment of the Palestine military police stationed at Sarafand has necessitated provision for additional warders for the 150 men transferred to Jail Labour Companies.

As regards Other Charges, the necessity for increases in provision is due mainly to previous under-estimation of requirements as explained in the remarks column of the Estimates. It has not been possible in every case to provide for an exact proportionate share of the annual requirements of the Force owing to seasonal demands.

I would add that the Regulations for the grant of depreciation allowance and compensation for animals owned by members of the Force have been revised. The grant of depreciation allowance of PT.50 per mensem to mounted members of the Force and the deduction of the amount paid from compensation payable entails a considerable amount of accounting. Moreover, the payment of horse allowances to mounted policemen is not considered necessary, provided adequate compensation is paid in the case of death or permanent unfitness that can be attributed to duty. The provision for horse allowances (Items 107 and 160) has been deleted and that for compensation for loss of animals (Items 108 and 161) increased.

Immigration and Travel Section.—The necessity for additional staff in this Section was dealt with in my despatch No 1343 of the 16th November last.‡ These Estimates include provision for a skeleton establishment, and for extra clerical assistance (Item 189) that may be required, on the assumption that the reduction in the rate of

* C. 19947/26; not printed. † C. 44013/27 [No. 98]; not printed. ‡ C. 22043/26; not printed.

immigration and naturalisation and the clearing of arrears will not necessitate the retention of so large a staff.

The increase in the establishment as compared with that asked for in my despatch No. 1343 of the 16th November last* is as under:—

High Commissioner's Despatch No. 1343 of 16th November, 1926 *	*Provision in Estimates, 1927.*
1 Inspector, Class 2.	Item 178, 1 Inspector, Class 2.
2 Inspectors, Class 3.	Item 180, 2 Inspectors, Class 3.
2 Clerks, grade I.	Item 182, 2 Clerks, grade I.
2 Clerks, grade III.	Item 185, 3 Clerks, grade III.
10 Clerks, grade IV.	Item 186, 3 Clerks, grade IV
2 Clerks, grade V.	Item 187, 1 Clerk, grade V.
	Item 188, 1 Clerk, grade VI.
	Item 189. Extra Clerical Assistance, £E750.

XXI. *Trans-Jordan Frontier Force*—Decrease £E47.833

The Estimates provide for the following changes in the establishment:—

Increases	*Decreases.*
Item 10, Captain, Senior Medical Officer.	Item 9, Major, Senior Medical Officer.
Item 16, Lieutenant, Hotchkiss Gun Officer.	Item 15, Captain, Hotchkiss Gun Officer.
Item 30, One Saddler Sergeant, grade II.	Item 33, One Clerk, grade II.
Item 44, One Clerk, grade II.	

The provision in the Estimates for the Senior Medical Officer (Item 10) and Hotchkiss Gun Officer (Item 16) has been amended to agree with the pay of the present holders.

As there is no local saddler capable of carrying out major repairs, the appointment of a Saddler Sergeant (Item 30) to the Force is essential.

The changes in the clerical establishment (Items 33 and 44) are due to the resignation of a British warrant officer, and the appointment of a local officer in the same grade in his place.

It has been found necessary to increase the provision for Transport and Travelling (Item 51), as the provision for the current year has been found inadequate.

The increase under ammunition (Item 56) is required for practice ammunition and to provide a regimental reserve of small-arm ammunition

The amount of £E1,600 for Harness and Saddlery (Item 57) provides for a small reserve for issue in cases of emergency, which I consider a most necessary provision.

As under present arrangements all the horses in the Force will be accommodated in open standings for a period of at least 18 months, the amount of picketing gear required will be greatly in excess of normal requirements: it is also essential that an adequate reserve of picketing gear should be kept The amount of £E2,000 for horse shoes and stable requisites (Item 58) is not, I consider, excessive.

The high prices of local forage has necessitated an increase in the amount provided for forage (Item 59).

The Estimates for 1926-27 included provision for the purchase of wireless pack sets and apparatus for five wireless stations. The sets are now being received and provision is made in these Estimates for their maintenance (Item 65) by the Signalling Section of the Force as well as the maintenance of field telephones and usual signalling equipment. The Estimates also contain provision for the purchase of spare receivers, transmitters, &c. (Item 91), for the establishment of telephonic communication between stations and headquarters, which I consider essential.

As regards the provision under Special Expenditure, the amounts inserted in these Estimates are principally for initial expenditure as explained in the remarks column of the Estimates.

XXII. *Posts and Telegraphs*—Decrease £E6,041

The Estimates under this Head provide for substantial increases in establishment to meet public demands for increased facilities, for increases in the engineering staff to cope

* C. 22043/26; not printed.

with the development of the telephone service and for the provision under this Head for expenditure previously shewn under other Heads.

The changes in establishment are as under:—

Increases.	*Decreases.*
Item 20, 1 Assistant Postmaster, grade II.	Item 23. 1 Assistant Postmaster, grade IV.
Item 21, 3 Assistant Postmasters, grade III.	Item 30, 1 Postal Clerk, &c., grade IV.
Item 32, 1 Postal Clerk, &c., grade IV.	Items 37 and 38, 2 Postal Clerks, &c., grade VI.
Item 34, 12 Postal Clerks, &c., grade V.	
Item 39, 14 Postmen and Messengers.	
Item 40, 2 Watchmen and Porters.	
Item 43, 1 Postal Agent.	
Item 48, 6 Learners.	
Item 63, 1 Clerk, grade V.	
Item 65, 3 Test Clerks, grade IV.	
Item 66, 4 Test Clerks, grade V.	
Item 69, 1 Telegraph Artisan, grade IV.	
Item 70, 5 Linemen.	
Item 41, Cleaners—£E75.	

The Estimates contain provision for a new grade of Telephonist (Item 38), namely, £E50—6—96. The Postmaster-General states as follows:—

> "It should perhaps be explained that these telephonists are female operators formerly included in the class of Postal Clerks, Telegraphists, and Telephonists, grade VI. Many of them have been for a number of years in grade VI, a grade which is generally regarded as proper to probationers.
>
> "It is desired to make the grade of Telephonists such as to enable female telephonists to proceed to a higher maximum than £E84 without increasing the number of appointments in grade V."

The items for which provision in previous years has been shewn under other Heads are as under:—

	£E.
Item 84, Cost of Living Allowance	6,000
Item 96, Rent of Buildings	4,500
Item 97, Water Supply and Conservancy	80
Item 105, Furniture	250

The contribution by the Railways for services rendered by the Posts and Telegraphs Department, which in 1926-27 was estimated at £E5,000, previously deducted from Expenditure, is now included in the Revenue receipts, as are similar receipts from other public departments.

The provision for the maintenance of the Sinai telegraph route is also shewn under this Head as being more in accord with the requirements of the new financial arrangements; but this is offset to the extent of £E2,102 by the deduction on account of the Air Ministry contribution for services.

The variations in the provision under Other Charges are explained in the remarks column of the Estimates.

I consider that the satisfaction of public demands for telegraph and telephone facilities in this country is of importance.

XXIII. *Public Works Department*—Decrease £E3,627.

The Estimates provide for district reorganisation of the Department, in which the number of district areas is increased from two to five, and for a small increase in the headquarters establishment The increase in the programme of Public Works has placed too great a burden on the two District Engineers, and the separation of Jaffa and Beersheba from the Southern District, and of Nablus from the Northern District, will enable works services to be carried out in a more efficient and expeditious manner.

The Estimates contain provision for the following changes in establishment:—

Increases.	*Decreases.*
Item 9. 1 Assistant Engineer, Class 2.	Item 37, 2 Clerks, grade I.
Item 14, 1 Assistant Engineer, Class 3.	
Item 18, 1 Assistant Architect, Class 2.	
Item 20, 1 Assistant Architect, Class 3.	
Item 33, 1 Draughtsman, grade IV.	
Item 34, 1 Draughtsman, grade V.	
Item 39, 1 Clerk, grade II.	
Item 41, 1 Clerk, grade III.	
Item 43, 1 Clerk, grade IV.	
Item 45, 1 Clerk, grade V.	
Item 55, Temporary Draughtsmen, £E250.	

The creation of an additional post of Assistant Architect (Item 18) for Mr. S. T. Caryer has been approved by you, as also for that of Assistant Architect (Item 20), *vide* your despatch No. 1459 of the 28th October last.*

The necessity for supplementing the provision for Draughtsmen was explained in my despatch No. 1410 of the 1st December last.†

XXIV. *Public Works Recurrent*—Decrease £E10,700.

It has not been practicable to limit the provisions for services under this Head to three-quarters of annual requirements owing to the necessity in most cases for completing maintenance works before the rains. Moreover, it has been necessary to increase the provision under certain items for reasons shown in the remarks column.

As shown, the provision in the previous year for maintenance of water and electric light plant (Item 1), maintenance of buildings (Item 4), water supply and conservancy (Item 7), and rent of offices and quarters (Item 8), was under-estimated.

The purchase of dredging plant for Haifa Harbour was approved in your despatch No. 118 of the 25th January last;‡ and the provision for maintenance of quays, piers, and harbours (Item 11) has been increased to £E2,750 mainly to provide for the maintenance of the plant at Haifa.

The provision for tools and materials for village roads (Item 14) is now included in that for maintenance of roads and bridges (Item 12). It is essential that arterial roads should be maintained in proper condition to meet general traffic requirements, and not only the requirements of the locality in which the road is situated. A programme of reconstruction and maintenance of arterial roads in all municipal areas in Palestine has been drawn up by the Director of Public Works in consultation with the Road Board, and municipal contributions towards the cost are based generally on a census of local and through road traffic. The amount of £E6,720 provided in these Estimates for the maintenance of arterial roads (Item 13) is Government's contribution in respect of the cost of maintenance, and the amount of £E8,330 provided under Public Works Extraordinary (Item 104) is Government's contribution in respect of reconstruction.

XXV. *Railways*—Decrease £E56,847.

In your despatch Miscellaneous of the 13th August, 1926,§ you instructed that the Railways should be charged with the cost of services performed by other departments and with its share of debt and loan charges, and be credited with the value of services performed by the Railway for other departments, and that the net revenue or expenditure of the Railways only should be shown in the General Estimates of the Palestine Government. It would, I consider, be preferable before doing so to await the issue of the loan and the settlement of debts to His Majesty's Government for Railway Stores, etc., as any allocation of debt charges in respect of the projected Palestine loan or of interest on Crown Agents' advances can only be roughly estimated, and might vary considerably from the ultimate charge. Moreover, the terms of issue and rate of interest are unknown, and would, in fact, be difficult to forecast, while the amount advanced from Government funds by the Crown Agents specifically to meet Railway expenditure is not ascertainable. It would be misleading to show the net revenue or expenditure on Railway working without including

* C F. 9910/26; not printed. † C. 22924/26; not printed. ‡ C. 44128/27 [No. 2]; not printed.
§ C. 16486/26; not printed.

public debt and loan charges, and I have therefore caused the Estimates to be prepared on the same lines as in previous years.

It will be seen from the summary of the Railway Estimates that the net results of Railway working of the various sections of the Railways for the nine months ending the 31st December next, excluding public debt and loan charges and extraordinary expenditure, are as under:—

	Surplus. £E.	*Deficit.* £E.
Palestine Railways	85,153	—
Kantara—Rafa Railway	17,971	—
Hejaz Railway (Palestine)	—	5,124
Hejaz Railway (Trans-Jordan)	702	—

The effects of providing for extraordinary expenditure, but omitting public debt and loan charges, are as under:—

	Surplus. £E.	*Deficit.* £E.
Palestine Railways	—	4,483
Kantara—Rafa Railway	10,141	—
Hejaz Railway (Palestine)	—	20,434
Hejaz Railway (Trans-Jordan)	—	4,918

There is already a considerable deficit on the Hejaz Railway, and I propose to request the General Manager, Railways, to submit a report on this subject.

I have instructed the General Manager to delete the provision of £E200 for the Railway Institute (Abstract E—Item 100), and to increase the provision for advertisements (Item 92) by a corresponding amount.

XXVI *Miscellaneous*—Decrease £E45,080.

The increases in the provision under this Head are shown in the remarks column.

The amount provided for cost-of-living allowances (Item 3) does not include provision for allowances to officers of the Posts and Telegraphs Department, which is now shown under Head XXII, Item 84.

The provision of £E500 for transport of specie (Item 6) is for the transport of the new currency between the bank of issue in Jerusalem and out-stations, and will, I consider, be fully required.

The provision for passages (Item 11), Crown Agents' expenses (Item 14), and commission to stamp vendors (Item 22) was previously underestimated.

It has not yet been possible to allocate the amount of £E37,500 (Item 19) provided for grants to municipalities. The grants are now made strictly on the basis of the financial necessity of the municipality and are paid on conditions specified by Government. It is anticipated that the provision of £E37,500 will be fully required.

The Pro-Jerusalem Society no longer exists and no Government grant to the Society will be required in 1927.

XXVII. *Posts and Telegraphs Extraordinary*—Decrease £E2,150.

Item 1. *Additional Exchange Switchboards.*—Owing to the delay in providing the new Post Office at Jaffa and the delay in the delivery of the Haifa new exchange, the work will not be completed within the three years originally contemplated.

Item 2. *Additional Trunk Lines.*—The original estimate under this item will be exceeded by £E388 in order to provide for new circuits necessitated by the incidence of traffic and the linking up of proposed new post offices.

Item 4. *Additional Subscribers' Circuits.*—The original estimate for this work will be exceeded owing to the large number of outstanding applications for telephones which it is desirable to install. These works are remunerative. In this connection I would refer you to my despatch No. 92 of the 18th January, 1927.*

Item 7. *Removal and Diversion of Cables*—It is proposed to divert the existing cables at Jaffa on the removal of the Post Office and to use underground instead of aerial cables. The former system is superior in efficiency and more economical in maintenance.

Item 8. *Upkeep of Mechanical Transport.*—A separate sub-head is provided for upkeep of mechanical transport in preference to including provision under each sub-head on which it will be used on Extraordinary Works.

* C. 44013/27 [No. 63]; not printed.

XXVIII. *Public Works Extraordinary*—Increase £E13,165.

It has been necessary in these Estimates to provide for re-votes aggregating £E69,669 in respect of uncommenced and uncompleted works approved in the previous year; and a large number of other works have been already referred to you, as shown in the remarks column of the Estimates. The works provided for in these Estimates have been carefully scrutinised by a Committee under the chairmanship of the Chief Secretary, and only works of immediate necessity have been inserted: provision for roads has also been considered by the Road Board.

Item 1.—This provision is required to increase accommodation by reconditioning part of the building at present uninhabitable and for improved sanitation. The work will be carried out mainly by prison labour.

Item 12.—This provision is required for the construction of new Police Barracks to replace temporary hutments which are unsuitable and provide insufficient accommodation.

Item 16.—The provision under this item includes the construction of two pavilions to allow accommodation for extra patients, which is urgently required, the installation of electric light, central heating, and piped water supply, and alterations to provide seven seclusion cells for maniacal patients.

Item 38.—The details of the expenditure under this item are shown in the remarks column of the Estimates. At present no suitable operating theatre exists, the staff occupy patients' wards, and the isolation wards are insufficient to cope with normal demands. Reconstruction of the electric light system, remodelling of faulty drainage, and metalled roadways are also urgently required.

Item 48.—This provision is required for the completion of buildings begun by the Turks, and additional accommodation is essential.

Item 64.—This provision is required for additional accommodation in the Nablus hospital for the new maternity centre.

Item 82.—The provision under this item is for the Government contribution to the Hedera colony towards the construction of a feeder road from Hedera to the railway station.

Item 96.—It is proposed to make grants to municipalities for the reconstruction of arterial roads in municipal areas. The grants are based on a census of local and through traffic on these roads.

Item 97.—The provision under this item is required for the reconstruction of 2 kilometres of the Jerusalem—Ramleh road with asphalt macadam, which has been found satisfactory on the Jaffa—Ramleh section.

Item 109.—The provision under this item is required to complete equipment of Government departments. Provision for maintenance and replacement of furniture has been inserted under Public Works Recurrent (Head XXIV—Item 10).

Item 112.—The basalt stone in the quarry now in use being nearly exhausted, it has become necessary to connect with the railway a new quarry about to be opened up.

Items 117 *and* 118.—The provision under Item 117 is a re-vote of the unexpended amount provided in last year's Estimates. The provision under Item 118 is for the construction of the headquarters buildings for the Force at Amman.

XXIX. *Railways Extraordinary*—Increase £E5,291.

Item 1.—The Acting General Manager states as under:—

" (a) The present timber bridge over the Wadi Na'amain near Acre is in a bad state of repair and should be replaced by a new steel span.

" (b) Work on the bridge at El Arish has been delayed owing to the late delivery of the steel work ordered from England, thus necessitating provision for this expenditure to be carried forward to next year.

" (c) The timber bridge at Kilo 89.175 near Ras El Ain requires replacement, and it is proposed to erect a permanent steel structure."

Item 2.—The Acting General Manager states as under:—

" Lydda is a very exposed station and it is difficult to prevent unauthorised persons from entering, particularly at night, the locomotive, engineering, and goods yards, where valuable material is stored. It is, therefore, proposed to erect fencing at certain points thus to afford greater security in these areas."

Item 3. The Acting General Manager states as under:—

" (a) It is proposed to re-sleeper several points, where sharp curves exist, with specially designed steel sleepers recommended by the Crown Agents.

" (b) The fitting of check rails on the sharp curves which exist between Artuf and Jerusalem is a matter of extreme urgency, to ensure the greater safety of trains. It will be realised that the conversion of a line originally constructed for a 3 ft. 6 in. gauge to deal with heavy standard-gauge traffic, especially in the hilly section where the tractive effort of engines is exerted to the maximum capacity, imposes a severe strain on the track. Additional precautions are therefore necessary to prevent track-spreading, and your authority is requested to enable this work to proceed without interruption after 31st March next."

Item 4. Regarding the necessity for staff accommodation, the Acting General Manager writes as follows:—

" (a) It is necessary to provide platelayers' quarters at Amman, Kakon, Rashidia, Bir Yacob, and Kafr Jinis, to replace existing hutments which have become derelict and present an unsightly appearance.

" (b) In order to ensure better supervision over the work of the yard staff at Haifa, particularly during night-time, also that he may be readily available in event of emergency, the British yard foreman should be housed on railway premises.

" (c) The housing conditions of the staff at Lydda have been far from satisfactory for some time past. Frequent representations have been made for some improvement, but it was hoped that any expenditure on repairing the hutments would have been avoided by the deviation of the line via Tel-Aviv, in which case Lydda would become a small intermediate station.

" (d) Level-crossing keepers' quarters are required at Allenby and Herzl Streets between Tel-Aviv and Jaffa; also at Kilo 20 near Lydda, to enable the keepers to be in regular attendance for the passage of trains, thus to eliminate both danger and delay to road traffic."

Item 5. The Acting General Manager states as under:—

" (a) This expenditure is required to complete the standard layouts at Athlit, Benyamina, Zichron Jacob, and Khudeira. Owing to adverse weather conditions the work has been seriously delayed during the last two months and will not be completed before 31st March next.

" (b) Improvements are necessary at Nablus to enable the work on the station buildings and approaches commenced during the present year to be completed.

" (c) An additional loop is required at Tel Esh Shammam to enable one of the present roads to be used as a goods siding and to permit the crossing of trains, thus preventing delays.

" (d) It has not been possible to complete the extension of the main station building at Haifa required to accommodate the District Traffic Superintendent and to provide a new baggage office. The upper floor should be completed to afford additional office accommodation for the Chief Accountant and to bring the new work into line with the remainder of the station building.

" (e) In order to provide for the greater safety of trains entering Haifa from the east end, also to ensure a more satisfactory standard of working generally, a new signal-cabin should be provided.

" (f) The new fire-engine having arrived, it is essential that a building should be provided where it can be suitably housed and readily available in event of emergency.

" (g) The surface of the goods platform at Haifa, where the inward and outward goods traffic is handled and transhipment between both gauges effected, is in a bad state and should be replaced by a concrete floor.

" (h) A sufficient supply of fresh water has been located at El Arish, and this will enable that station to obtain its requirements locally. It is also intended to supply stations between Kantara and Rafa from this source, to obviate the necessity of bringing water from Kantara as is done at present. The

standpipes and piping are therefore necessary to enable water-tanks to be filled without delay.

" (j) The covered-in accommodation at Tel Aviv is totally inadequate, and it is proposed to roof a certain portion of the platform to provide better protection of the public against the weather.

" (k) A footbridge is urgently required at the south end of Tel-Aviv station, to remove the danger which at present exists to the large numbers of persons who require to cross the tracks, especially at train times.

" (l) This provision is required to re-surface the approach road to the passenger station and the goods yard. The present conditions in this respect are extremely bad, and this work should be put in hand with the least possible delay.

" (m) The existing station at Na'aneh is a temporary structure, provides insufficient accommodation, and is unsightly in appearance. It should be replaced by a more suitable type of building.

" (n) It is required to convert the dead-end siding at Bir Yacob into a loop to facilitate handling of wagons, especially during the orange season.

" (o) At Lydda, persons are required to cross a busy set of tracks when entering or leaving the passenger station. The present state of working is highly dangerous, and the provision of an overhead footbridge is a matter of urgent importance in the interests of public safety.

" (p) As a measure of economy, it is proposed to order a number of standard station signs, such as " Station Master's Office," " Waiting Room," " Booking Office," &c , from England instead of continuing to have the signs prepared locally by hand.

" (q) It is necessary to effect certain alterations to the ground floor at this headquarter building, used by the Superintendent of the Line's Department, so as to convert several small rooms into one large open office. This will enable the work of the clerical staff to receive better supervision."

Item 6. The Acting General Manager states as under :—

" (a) It is essential to make Jisr El Majame, where an ample supply of water is available, an engine watering station. This necessitates the installation of a pump, pipe-line, and overhead tank.

" (b) The installation of a windmill pump at Tulkarem will enable that station to obtain its supply of water locally, instead of having to be supplied from Zichron Jacob by tank-wagon.

" (c) It is necessary to deepen the well at Tel Esh Shammam, which is an engine watering station, to provide an increased flow of water, thus to relieve Haifa, where the water requires to be specially treated owing to hardness.

" (d) Fire hydrants are required at Haifa to ensure the safety of the wagon repairs shops and carriage sheds, where valuable rolling stock is stabled; also to serve the station and Port area.

" (e) The provision of wells and hand-pumps at the following stations will enable the running of water trains, which is a costly arrangement, to be abolished :—

Kafr Samir, *Khudeira, Tulkarem, *Deir El Belah, *Rashida, *Sukeiria, *Rehovoth, Khan Yunis, Kilo 318, Kalkilieh, Benyamina, Artuf, Tanturah, *Kakon and/or Kilo 133.500, and *Bir Yacob.

" (f) A windmill pump and pipe-line is required at Vale of Sorek to enable this station to be opened as an emergency watering station, in the event of the supply at Lydda giving out, as frequently happens during the summer months.

" (g) The Railway is dependent upon the Grands Moulins de Palestine for its supply of water at Haifa. This is not a convenient arrangement, and it is proposed to sink a well which will tap the source from which the present supply is obtained."

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* Have already been put in hand, but will probably not be completed before the end of the current financial year.

Item 7. The Acting General Manager states as under :—

" (a) The re-opening of Nour es Shams quarry to provide the large quantities of crushed ballast which are urgently needed throughout the system will necessitate the purchase of additional quarrying equipment.

" (b) The purchase of a heavy motor-trolley for transporting permanent-way gangs which work over long stretches in Trans-Jordan was recommended by Mr. Anthony. Provision for this expenditure exists in the Estimates for the current financial year, but the trolley will not be delivered by the 31st of March next.

" (c) A ' Blake ' stone-crusher is required at Haifa. This will be utilized for the production of certain building material from locally-quarried stone, thereby reducing the cost of erection of new buildings."

Item 8. The Acting General Manager states as under :—

" (a) Artuf, Deir Esh Sheikh, and Bittir stations are so situated that special precautionary measures in the way of interlocking are necessary to prevent the runaway of any vehicle which may get out of control and obstruct the line. Provision for this expenditure was made in the present year's Estimates, but there has been considerable delay in the delivery of the material from England.

" (b) The lift barriers are necessary at the points mentioned, to provide for the better protection of vehicular traffic."

Item 9. The Acting General Manager states as under :—

" The acetylene generator is required to enable the oxy-acetylene welding in the main repair shops at Haifa to be operated more economically and to better advantage. This will also considerably reduce the quantity of dissolved acetylene which is at present purchased in cylinders from Egypt."

Item 10. The Acting General Manager states as under :—

" The electric generating plant at the power station at Jerusalem is being worked beyond its capacity and, in order to ensure more efficient and economical working, should be replaced by a new 18-kw generator and heavy oil engine."

Item 11. The Acting General Manager states as under :—

" The installation of an A.C. electric motor in the running shed at Jaffa is required to enable the repair work which is carried out there to be more speedily dealt with. The engines employed on the Jaffa-Jerusalem section are subjected to heavy working and require close examination on arrival at the respective termini and only limited time is available to carry out the necessary repairs."

Item 12. The Acting General Manager states as under :—

" At present when a passenger coach is taken out of service on account of journal or tyre trouble the vehicle cannot be used until the necessary repairs have been effected. The purchase of two complete reserve sets of bogies will enable coaches to be kept in service, particularly during rush periods."

Item 13. The Acting General Manager states as under :—

" The travelling water-tanks on the standard gauge are in a bad state of repair and the majority of them do not justify any further expenditure on repairs. It is considered that it would be more economical to replace these tanks by ten new ones to be obtained from England."

Item 14. The Acting General Manager states as under :—

" The eight copper fireboxes are required for the Baldwin engines which are not yet equipped. When these have been so equipped, the work of fitting copper fireboxes to all Baldwin locomotives will be complete."

Item 15. The Acting General Manager states as under :—

" The provision under this head is for the purchase of 4 ' Sentinel-Cammell ' steam coaches for the Palestine section of the Hejaz Railway. Reference has been made earlier to the importance of introducing this type of vehicle in order to combat severe road competition. It is considered that urgent need also exists for this type of vehicle to serve the standard-gauge system, and I would recommend that two of these coaches be obtained for each system. It would be an advantage if the coaches for the narrow gauge were so constructed as to render them convertible should it become necessary to use them on the standard gauge at some future date. It has been necessary to approach the Crown Agents with a view to ascertaining from the makers whether such an arrangement is feasible, and upon receipt of their reply definite proposals will be submitted for your approval."

Item 16. The Acting General Manager states as under :—

" The London and South Western engines taken over from the War Department, and which are principally used on shunting services, are over 40 years old. Their maintenance is unduly costly and the time has arrived when the majority of them should be scrapped. Attention is drawn to this by Mr. Anthony in page 112 of his report.

" It is proposed to purchase as an experiment a new type of shunting engine known as the ' Sentinel Patent Locomotive.' This type is proving very successful on several railways at home and in the Colonies, and its introduction here should result in substantial economies in the shunting services."

Item 17. The Acting General Manager states as under :—

" The fourteen cow-catchers are required to provide for the greater safety of trains worked by the Baldwin engines not yet so fitted."

Item 18. The Acting General Manager states as under :—

" The ' Manning Wardle ' saddle tank-engines are fitted with steel fireboxes. The use of these engines is limited owing to boiler trouble due to inferior water, and consequently heavy maintenance expenses are incurred. It is therefore proposed to replace the steel fireboxes by copper ones."

Item 19. The Acting General Manager states as under :—

" It is considered that the number of travelling oil-tanks to be obtained from England should be increased to four, and a total expenditure of £E1,300 is required for this purpose. The two extra tanks are required to replace the temporary tanks used for the transport of crude oil. The latter tanks are in a bad state of repair, and should be taken out of service at the earliest possible moment. There is an increasing demand for tank wagons for the transport of petroleum and fuel oil, and much inconvenience has been occasioned to traders in consequence of the inadequate supply of this particular type of vehicle."

Item 20. The Acting General Manager states as under :—

" Six new water tanks are required to replace tanks which are in an unserviceable condition."

Item 21. The Acting General Manager states as under :—

" In consequence of the redistribution of Hejaz Railway rolling stock, we have recently received a considerable number of locomotives, coaches, and wagons from the French. The majority of this stock requires heavy repairs which it is estimated will cost £E17,000. It is proposed that this work should be spread over a period of three years. I shall be glad if you will accord approval as early as possible for the expenditure required, in order that the work may proceed without interruption after 31st March next. It is essential that as many covered goods wagons as possible be available for the melon season, which begins in June next."

Item 22. The Acting General Manager states as under :—

" The existing weighbridge at Jaffa is a combination of parts taken from unserviceable narrow-gauge weighbridges. Delay attends the weighing of trucks, and errors are apt to arise owing to the fact that a whole truck cannot be weighed in one operation. Jaffa is one of our busiest goods stations, and justifies a weighbridge of a modern type similar to that erected at Haifa."

Items 23 *and* 24.—The Acting General Manager states as under :—

" Provision for the purchase of the six new third-class coaches, eight ' Perishable ' and two ' Refrigerator ' vans exists in the Estimates for the present year, but owing to the strike in England these will not be delivered before 31st March next, and fresh provision is, therefore, necessary."

11. In conclusion, I desire to express my regret for the delay in forwarding these Estimates, and that it has not been possible to submit them in printed form. The introduction paragraphs of this despatch reveal the difficulties experienced by myself and my advisers in compiling them in the unsatisfactory circumstances in which the country is at present placed.

I shall be glad, however, to receive your approval of these Estimates, as a whole or in part, by telegram.

I have, &c.,
PLUMER, F.M.,
HIGH COMMISSIONER.

C. 44356/27 [No. 6]

No. 2.

COLONIAL OFFICE to TREASURY.

[*Answered by No.* 3.]

SIR, Downing Street, 9th June, 1927.

I AM directed by Mr. Secretary Amery to refer to the provision in the Middle Eastern Services Estimate, 1927, of £45,000 in respect of the grant-in-aid towards the cost of the Trans-Jordan Frontier Force, and to transmit to you, to be laid before the Lords Commissioners of the Treasury, the accompanying extract* from the draft Estimates of the Palestine Government for the nine months ending 31st of December, 1927, containing details of the estimated expenditure under Head XXI, Trans-Jordan Frontier Force.

2. Their Lordships will observe that the total expenditure under the above Head is £E129,390. To this sum, however, must be added the further provision made for the Frontier Force under Head XXVIII, Public Works Extraordinary, Items 117 and 118. These items read as follows, viz. :—

Item 117. Construction of Barracks, Ma'an £E24,400
Item 118. Construction of Permanent Quarters, Amman ... £E25,000

The total provision made in the draft Estimates for the Frontier Force is, therefore, £E129,390 plus £E49,400, or £E178,790.

3. In view of the change from the financial year ending 31st March to the calendar year, the draft Estimates cover a period of nine months only, *i.e.*, from 1st April, 1927, to 31st December, 1927. Their Lordships will recollect that the amount of the grant-in-aid inserted in the Middle Eastern Services Estimate was calculated on an estimated expenditure for the full year ending 31st March, 1928, of £E189,835 plus £E24,400, the latter figure being the estimated carry-over of expenditure on construction of barracks at Ma'an, of which one-half is provided in the amount of the grant, as compared with one-sixth of the remaining estimated expenditure during the year. These figures were furnished by Lord Plumer in a telegram dated the 8th of February, a copy of which was forwarded to Their Lordships under cover of a letter from this Department dated the 10th of February, 1927.† No useful comparison can be drawn as between that estimate and the estimate for nine months now submitted, as, whilst some of the items

* Viz., Head XXI on page 12 in No. 1. † No. 44 in Middle East No. 15.

(*e.g.*, pay, &c.) in the latter estimate would fall to be increased by the full proportion of one-third in respect of the remaining three months of the year, it is not possible for this Department to forecast with any accuracy the expenditure, if any, on such items as stores, &c., for the remainder of the year.

4. The items under Head XXI of the draft Estimates have been examined in this Department, and the details of pay, &c., have been checked and found to be correct. Two changes in the establishment are provided for under Items 30, 33, and 44, viz., the additional appointment of a British saddler-sergeant, and the substitution of a local clerk, grade II, for a British clerk, grade II. The reasons for these changes and for the increases in certain other items as compared with the amounts provided for the corresponding items in last year's Estimates are explained in the enclosed extract* from Lord Plumer's despatch† submitting the draft Estimates.

As regards the Items 117 and 118 under Head XXVIII referred to in the second paragraph of this letter, I am to explain that the amount provided under the first item represents the difference between the revised estimate of the cost of the construction of barracks at Ma'an, viz., £E28,900 less the amount (£E4,500) expended on that service during the year ended 31st of March, 1927. In this connection reference is invited to Mr. Meiklejohn's letter, S.28979/02, of the 31st of August, 1926,‡ conveying Their Lordships' agreement to the construction of these buildings.

A separate communication will be addressed to you in regard to the construction of buildings at Amman, for which provision is made under Item 118.

5. I am to say that, subject to Their Lordships' concurrence, Mr. Amery proposes to approve the draft Estimates for the Trans-Jordan Frontier Force for the nine months ending the 31st December, 1927, providing a total sum for that period of £E178,790, on the clear understanding that the grant-in-aid for the year ending 31st of March, 1928, will not in any circumstances exceed £45,000, the amount provided in the Middle Eastern Services Estimate.

I am, &c.,
C. STRACHEY.

C. 44356/27 [No. 8]

No. 3.

TREASURY to COLONIAL OFFICE.

(S.31965.)

SIR, Treasury Chambers, 30th June, 1927.

I HAVE laid before the Lords Commissioners of His Majesty's Treasury Sir Charles Strachey's letter of the 9th instant§ relative to the estimated expenditure upon the Trans-Jordan Frontier Force for the nine months ending 31st December, 1927.

My Lords note that the total provision consists of £E129,390 for current expenditure and £E49,400 for quarters at Ma'an and Amman. They confirm that in respect of the buildings at the former place the contribution of His Majesty's Government will be one-half of the cost estimated at £E24,400, but in respect of the remaining expenditure, one-sixth. They understand that a saving is now anticipated on the provision for quarters at Amman by the substitution of the semi-permanent camp at Zerka, which was authorised by Mr. Amery's telegram of 20th June.‖

My Lords have no observations to offer on the details of the Estimates, and They concur in the proposal to approve the draft providing a total sum of £E178,790, on the clear understanding that the grant-in-aid for the full year ending 31st of March, 1928, will not in any circumstances exceed £45,000, the amount provided in the Middle Eastern Services Estimate.

I am, &c.,
R. S. MEIKLEJOHN.

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* Not printed. † No. 1. ‡ C. 16906/26; not printed. § No. 2. ‖ No

C. 44356/27 [No. 7]

No. 4.

THE SECRETARY OF STATE to THE OFFICER ADMINISTERING THE GOVERNMENT.

[*Answered by Nos. 5 and 6.*]

(No. 938.)

SIR, Downing Street, 21st July, 1927.

I HAVE the honour to refer to Lord Plumer's despatch No. 500 of the 5th of April* forwarding the draft Estimates for the nine months ending the 31st December.

2. In considering these Estimates, it has been necessary to take into account (a) the fact that the economic depression prevailing in Palestine shows no sign of improvement, and (b) the effect of the recent revision of the arrangements regarding the grant-in-aid for the Trans-Jordan Frontier Force.

As regards (a) I agree that, for the reasons given by Lord Plumer, it will be necessary during the current year to draw upon the surplus balances in order to cover the cost of works in relief of unemployment. For the same reason I have conveyed approval of works of this nature being put in hand in addition to those contemplated in the draft Estimates. As regards (b), you are, of course, already aware that the amount which will be forthcoming for the grant-in-aid will not be £E63,663, but an amount of approximately £E36,000, made up as follows:—

(1) For revote of approved expenditure in 1926/27 on account of uncompleted public works	£E12,200
(2) Nine months' proportion of £45,000 minus £E12,200, *i.e.*, ¾ of £E31,675	£E23,756
	£E35,956

In addition to this decrease under Revenue the Palestine Government will be called upon to provide during 1927 a sum of about £E22,668 as a contribution towards the cost of the Royal Air Force and armoured cars employed in Palestine and Trans-Jordan.

Both these considerations adversely affect the Estimates now under consideration.

3. Turning now to an examination of the Estimates, I note that Revenue is estimated at £E1,857,863. From this sum nearly £E28,000 must be deducted on account of the reduction in the grant-in-aid. It may also be doubted whether the estimate for Customs revenue, which is based on 1926 receipts, is likely to be realised. I am, therefore, of opinion that the revenue for the nine months in question can hardly be expected to exceed £E1,800,000.

4. The Estimate for recurrent expenditure amounts to £E1,625,346. As no loan charges will be incurred during this year, about £E80,000 can be deducted from this total under Head II, but additions of approximately £E22,000 and £E20,000 respectively are necessary on account of—

(1) The Defence contribution, and
(2) The increased grant towards Jewish education,

and other proposals involving recurrent expenditure which were submitted subsequently to Lord Plumer's despatch under reference and have received my approval. It would appear that the revised Estimate of recurrent expenditure for the last nine months of 1927 will be approximately £E1,590,000.

5. The Estimates provide for a total extraordinary expenditure of £E364,240. To this must be added the cost of proposals subsequently submitted which have been approved and will amount to about £E40,000. The revised total Estimate for extraordinary expenditure for the period of nine months will thus amount to approximately £E400,000.

The revised estimated deficit is thus likely to be about £E190,000.

6. I agree with Lord Plumer that a portion of the surplus balances accumulated in past years should be used to cover the deficit, but I am doubtful whether resort could with safety again be had to this expedient in 1928 or subsequent years. It may, of course, be that the present economic depression will improve in the near future; but from the most recent reports this would seem unlikely, and undoubtedly at the present time it would be prudent to anticipate that the period of depression will con-

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* No. 1.

tinue at any rate into 1928. Should that unfortunately prove to be the case, it is reasonably certain that, unless the basis of taxation can be broadened or expenditure substantially reduced, the Palestine Estimates for 1928 would show a heavy deficit. The possibility of substantially increasing revenue appears to be remote since the present revenue of Palestine (exclusive of the grant-in-aid) amounts to nearly £E3 per annum per head of the population. This in a country in so backward a stage of development is undoubtedly high, and any attempt to impose heavy additional taxation would appear to be likely to aggravate the prevailing trade depression and might lead to serious discontent.

On the other hand, for reasons given below, there are bound to be increases in recurrent expenditure in following years :—

(a) An increased burden may fall on the Palestine Administration in respect of military expenditure since in future years it will be necessary to provide for 5/6ths of the total cost of the Trans-Jordan Frontier Force;

(b) When the Palestine loan is raised an additional sum of approximately £E180,000 per annum will be payable on account of public debt charges;

(c) Certain proposals for expenditure recommended and approved subsequently to the submission of these draft Estimates may involve further annual recurrent expenditure;

(d) The regrading of the scales of salary for the Senior Service, and particularly the introduction of a long-grade scale of salary for the present Class 3 of that Service, will result in an additional charge on account of officers' personal emoluments; and

(e) The development of the Land Settlement Department, the expenditure of which is put for 1927 at only £E7,054, will in future years undoubtedly increase.

7. No doubt there may be other factors which will tend to increase recurrent expenditure in future years; but the considerations which I have set out above suffice to indicate that, unless recurrent expenditure is reduced, the balance of revenue over that expenditure, which for the last nine months of 1927 is estimated at £E210,000, is likely in 1928 to be not more than £E100,000. This figure is quite inadequate for meeting extraordinary expenditure, on Public Works, Posts and Telegraphs, and Railways, not chargeable to loan funds. With only such a sum available the Palestine Government would not, in 1928, be in a position to carry out unemployment relief works on a large scale. You will realise that the position thus gives cause for anxiety, since it seems clear that unless conditions improve it may not be possible for your Government to balance its Budget in 1928 and possibly in future years.

8. I should be grateful if, when replying to this despatch, you would furnish me with a general review of the financial outlook and with your considered opinion as to how unemployment can be relieved and the Budget balanced in 1928 and subsequent years should the present economic depression unfortunately continue. In this connection, I should also be glad to be supplied with a statement showing how it is proposed to utilise the surplus balances at present available and what portion, if any, of those balances remains unallocated.

9. As regards the current year, as mentioned above, I am prepared, in view of the considerations urged by Lord Plumer, to agree to the proposal that the anticipated deficit for 1927 should be met from surplus balances as proposed. I am also prepared to approve the draft Estimates (except the Estimates for the Trans-Jordan Frontier Force which will be dealt with separately) subject to the comments offered in the accompanying memorandum.

10. I would, however, request that, having regard to the urgent need for economy on all forms of expenditure, Heads of Departments may be informed of the importance attached by myself and, if you agree with my views, by the Palestine Government to the keeping of expenditure, so long as the present economic depression continues, within the limits of the approved Estimates and to the effecting of saving on these Estimates, wherever that may be possible. You may also consider it desirable to warn Heads of Departments that, unless the financial position improves, it may be necessary in 1928 substantially to curtail public services in many directions. In particular, I would invite attention to the Heads for Public Works Extraordinary and for Police and Prisons, as being the sections of the Estimates under which it would appear that substantial reduction of expenditure could most suitably be made in the 1928 Estimates, should the occasion arise.

11. Points of detail are dealt with in the accompanying memorandum. You will doubtless furnish me in due course with your observations on the various comments

made therein. I would also request that the under-mentioned considerations may receive attention :—

(a) In my Confidential despatch of the 6th of July, 1926,* I requested that the Estimates should be submitted in future in printed form. I appreciate the reasons for which it was not found possible to print the 1927 draft Estimates, but I would observe that the difficulties experienced in Palestine are not without parallel elsewhere, and, even where similar difficulties have been experienced, it has been found possible to print the draft Estimates, thus avoiding considerable delay and inconvenience in their examination. I request that every effort may be made to ensure that the draft Estimates (including the Railway Estimates) for future years are submitted in printed form. I also request that future draft Estimates may reach me as long as possible in advance of the beginning of the period to which they relate.

(b) Numerous items in the draft Estimates provide for personal allowances for particular officers. It would make the Estimates much clearer, if, in each case where a personal allowance is provided, the name of the officer were stated in the remarks column against the appropriate item, and I should be glad if you would arrange for this to be done.

(c) I note that it is hoped that it will be possible next year to distinguish in the draft Estimates between pensionable and non-pensionable posts.

(d) I observe that additional provision is entered in the case of many Departments for expenditure on transport and travelling. I gather that in some cases the reason for the increase is that consolidated motor-car and cycle allowances are now granted instead of kilometric allowances It may, of course, be the case that, even if the system of kilometric allowances had been continued, there would have been an increase in expenditure by reason of increased travelling. On the other hand, it is possible that the additional expenditure provided for in the draft Estimates is not a fair charge on Government, and I shall be glad to receive an expression of your views on this point.

(e) A new Head should be entered in the Estimates for the contribution towards defence expenditure, and I would suggest that this might be arranged by substituting for the present Head XXI a Head entitled " Military Expenditure," which could be divided into two sub-heads, namely :—

(a) Contribution towards Defence, and

(b) Trans-Jordan Frontier Force.

12. In conclusion, I would express my appreciation of the manner in which the draft Estimates as a whole were prepared and submitted to me. I realise that, in the present financial circumstances of Palestine, their compilation must have presented grave difficulties, and I feel that much credit is due to the officers concerned in their preparation

I have, &c.,
L. S. AMERY.

Enclosure in No. 4.

MEMORANDUM.

REVENUE.

Head IV. Fees of Court or Office. Receipts for Specific Services and Reimbursements.

Items 5, 8, *and* 9.—It is noted that it is anticipated that revenue of about £E19,000 will be collected in respect of fees for passports, the registration of immigrants, and the registration of citizenship and naturalisation. With the decline in immigration, revenue under Items 5 and 8 should decline very considerably, while, as the bulk of applications for Palestinian citizenship have already been dealt with, and as the fee has been reduced, it would seem unlikely that the collections under Item 9 will total £E2,000, since only £E1,973 was collected during the first nine months of 1926-27.

Item 16.—It is noted that it is expected that only £E300 will be collected under receipts, Stud Farm. Provision for a large programme of expenditure is entered under

* 10889/26; not printed.

Head XII, Items 56 to 70, 121, and presumably also Item 99, and the revenue anticipated appears to be very small in proportion to this expenditure. Observations are requested on this point and as to whether larger receipts are not likely to be collected.

Head XI. Grant-in-Aid

Comment is made in the despatch, regarding the effect of the recent arrangement as to the revision of this grant-in-aid.

EXPENDITURE.

Head II Public Debt and Loan Charges

It is now unlikely that the loan will be raised until the autumn. Provision under Item 2 for interest on this loan is therefore now unlikely to be required, but increased provision will be necessary under Item I.

Head IV. Secretariat.

Item 13. It is considered that the proposal to revive the post of Chief Clerk should be deferred until the cadre of clerical posts has been settled. As to the scale suggested, see note regarding Head XI, Item 13.

Item 56.—Further information is requested on the point whether the duties of the appointment of Storekeeper justify its being raised to grade II.

Head V. District Administration.

Item 12.—The scale indicated for these 12 District Officers is incorrect, as the incremental rate should be £E25 and not £E50.

Head VI. Legal Department

Item 8 —The personal allowance granted to Mr. Kermack was at the rate of £E50 per annum, *vide* Lord Plumer's despatch Confidential D of 29th March, 1927.* The provision entered should be corrected accordingly.

Head VII. Judicial Department.

Item 41 —No objection is raised to the creation of this appointment of Chief Clerk, but as to the salary scale proposed see note as to Head XI, Item 13.

Head X Customs. Excise and Trade.

Item 14.—This expatriation allowance is presumably entered in respect of the Collector seconded from the Home Service. If so, Item 14 should be shown immediately after Item 11

Head XI. Department of Health

Item 10.—In separate correspondence it has been stated that Dr. McQueen's appointment is entitled " Assistant Senior Medical Officer." If this is the case, the post should be so described.

Item 13.—Attention is invited to the scale now entered in respect of this and similar appointments It appears that the post of Chief Clerk has hitherto been regarded as in the nature of a prize clerical post, the scale for which should be something more than Grade I of the Clerical Service but which is not a Senior Service post. The provision entered for this post for 1926-27 was £E380 on the scale £E300—20—400. While it is the case that the old scales of Grades IV and V of the Senior Service are now included in the scale £E300—10—550 of the new Class 3, it is considered that the scale of this post should not be similarly revised unless it is a fact that the duties of this officer are essentially administrative as opposed to clerical or executive. In the correspondence relating to the cadre of clerical posts, it has been suggested that a new category of executive posts should be established with its own special scale. Unless, therefore, any objection is seen, it is considered that the post of Chief Clerk should be similarly treated and that for the present the scale of the appointment should remain as before.

* P.F. 16040/26 M.E.; not printed

Item 70.—If, as appears to be the case, these two posts are in different scales and carry different rates of expatriation allowance, they might with advantage be shown separately.

Head XII. Department of Education.

Items 25 *and* 32.—It is noted that it is considered that additional servants and cleaners for training colleges and town schools must be provided owing to the increase in the number of classes. It is trusted, however, that the greatest possible economy will be exercised in this respect.

Items 42, 45, 49, *and* 55.—Taking into account the decreases of appointments involved, the provision for the additional teaching staff in town and village schools will imply an increased recurrent expenditure of approximately £E4,000. In view of this it is requested that consideration may be given to the question whether in the present financial circumstances such an increase of staff is justified.

Attention is also invited to the reference in Mr. Bowman's memorandum quoted on the top of page 18 of Lord Plumer's despatch No. 500 of the 5th April* to the inconvenience caused by the distinction made in the estimates between village and town schools. It is suggested that the provision for these schools might be amalgamated.

Item 67.—The provision must be increased in view of the approval already conveyed for increasing the grant to Jewish schools

Head XIII. Agriculture and Forests.

Item 6.—As to the scale entered for this post of Chief Clerk, see comment regarding Head XI, Item 13.

Items 30 *and* 32.—It is requested that a report may be sent by a separate despatch showing the whole of the proposed expenditure on the dry-farming station at Beersheba in 1927 and also that a report may be furnished on the results of this experiment.

Item 49.—Allowing for normal increments, the provision of £E405 entered would appear to be over-estimated.

Item 53.—In separate correspondence it is proposed that the post of Assistant Veterinary Officer should be put in Class 2. It is also intended that this post should be called " Senior Veterinary Officer (Laboratories)." The item should be amended accordingly.

Items 60, 64, 65, 66, *and* 67.—It is noted that expenditure on the Stock Breeding Service shows a continuous increase while at the same time revenue from that Service remains stationary and small.

Items 98 *and* 99.—For 1926-27 £E1,200 was provided for demonstrations and experiments. It is now proposed to provide £E150 for demonstrations and experiments and £E1,500 for upkeep of Agricultural Stations. The total rate per annum of expenditure in 1927 is £E2,200, as against £E1,200 for 1926-27. No reason is given for the additional expenditure.

Note —It will now be necessary to insert additional provision for the enlarged fumigation service which has been separately approved.

Head XIV. Antiquities Department.

It is not clear why the unusual scale £E270—15—350 is proposed for the new appointment of Museum Assistant.

Head XV. Land Settlement.

A separate telegram has been sent regarding expenditure under this Head.

Head XVII. Survey Department.

The effect of the proposed changes and increases will result in additional expenditure in 1927 of approximately £E3,500 This will involve for a full year of 12 months increased expenditure of nearly £E4,500 It is requested that consideration may be given to the question whether in the present financial circumstances it is justifiable to provide for the expansion of this Department to the above extent.

Item 29 —It is not evident why this expatriation allowance is provided.

Item 49.—It is stated that provision for the chairman of the Beisan Commission is entered under Head V—District Administration—Item 12, but on referring to that item it is not clear that such provision has in fact been made.

* No. 1.

Head XVIII. Police and Prisons

The following is an analysis of the comparative expenditure in 1926-27 and 1927.

Head.	1926-27.	1927.	*Approximate Net Increase.*
Police and Prisons	322,826	270,991	29,870
	199,823	150,978	1,000
Police P.E.	76,986	61,860	4,120
O.C.	20,747	17,641	2,000
Prisons P.E.	25,270	25,605	6,652
O.C.	—	13,707	13,707
Immigration and Travel P.E. ...	—	1,200	1,200
O.C. ...			

Even discounting the fact that nearly £E15,000 is added to expenditure under this Head on account of Immigration and Travel Section, the proportion of the total revenue of the Palestine Government which is spent on Police and Prisons shows a substantial increase. Expenditure under this Head is now about 15 per cent. of the total revenue of the Administration. From the above figures it would seem that the greater part of the increase falls under other charges as opposed to personal emoluments. It is suggested that the provision entered for expenditure under other charges both under Police and Prisons should be most carefully scrutinised with a view to effecting economies wherever possible.

Item 9.—An explanation is requested as to the increase of salary for which provision is entered. The amount provided for the quarter-master's salary for 1926-27 was £E400.

Item 107.—It is requested that copies of the revised regulations in regard to horse allowances may be forwarded by separate despatch.

Item 109.—It is not clear why it should be necessary to provide additional furniture for married quarters for British police. The Crown Agents have recently stated that they do not anticipate that it will be necessary to recruit any more married constables, and it is likely that the necessity for providing married quarters will decline in the future.

Items 148, 150, *and* 152.—It is stated that additional warders are needed for the 150 men transferred to Jail Labour Companies on the disbandment of the Palestine Military Police. Provision is entered for 33 additional warders. It is not clear why it should be necessary to have this number of additional warders in order to deal with only 150 convicts

Head XXI. Trans-Jordan Frontier Force.

A separate despatch will be sent regarding this Head.

Head XXIII. Posts and Telegraphs.

The figures of revenue and expenditure of the Department for the last few years are as follows:—

Year.	*Revenue.* £E.	*Expenditure.* £E.
1925-26	146,800	93,485
1926-27	158,000	111,747
1927	133,600	105,706

It will thus be seen that in 1926-27, when the revenue increased by only £E11,200, the expenditure increased by approximately £E18,300. For 1927 the revenue is estimated at £E133,600, but this figure takes account of various items amounting to £E7,230 for revenue from other Departments. Thus, in effect, the revenue from the Posts and Telegraphs for 1927 is not in fact estimated to increase, but will remain approximately the same as for 1926-27 if indeed it will not actually decline. It is, however, proposed to increase the expenditure by some £E21,895 for the nine months of 1927. From this figure may be deducted the items transferred to this Head for the first time in respect of cost-of-living allowance and rent of buildings, and it is realised that the railway contribution previously deducted from the expenditure has been transferred to the revenue head. The actual net increase in the Department would therefore appear to be approximately £E5,000. Hitherto the increasing expenditure under this Head has been justified by increasing revenue, but, as this is unlikely to be the case in future, it is considered that expenditure under this Department should now be stabilised. It is therefore suggested that further consideration should be given to the proposed increases of expenditure generally, and in particular as regards such items as No. 106.

Head XXV. Railways.

A separate note at the end of this memorandum deals with the Railway Estimates.

Head *XXVIII. Public Works Extraordinary.*

Attention is invited in the covering despatch to the need for economising expenditure under this Head. It is suggested that expenditure on account of Items 12, 16, 31, 38, and 109 might be deferred until the financial position improves.

Item 70.—In commenting upon the Estimates proposals for 1926-27, an explanation was asked for as to why it was necessary to spend so large an amount as £E7,000 for Police and Prison buildings in a comparatively small town like Ramleh In replying, *vide* pages 20 to 21 of the memorandum attached to his Confidential despatch of 31st August, 1926,* Lord Plumer stated that Police accommodation had been neglected in recent years and that Ramleh was an important Police Divisional Centre. The item was therefore allowed to stand in the 1926-27, but no money was spent and no work appears to have been undertaken during that year. It is suggested that, in view of the financial position, expenditure under this item might be cut out for yet another year.

Item 77.—In Sir Herbert Samuel's despatch No. 1642 of 29th December, 1924,† it was stated that the school and recreation ground, Tiberias, would cost £E2,200. When approving the proposal that the expenditure of that sum should be met from revenue from the Baths, the Secretary of State expressed the hope that it would be possible to utilise funds derived from that source in future to meet current expenditure on educational services in Tiberias. It is requested that a statement may be forwarded showing how the sum of £E3,500 is to be spent and whether that sum has accrued from revenue from the Baths.

Item 97.—The Secretary of State would be reluctant to approve this expenditure unless it is the case that the piece of road in question is urgently in need of repairs which cannot be effectively carried out more cheaply.

Note.—Heads XXIV and XXVIII. Road expenditure both on maintenance and construction continues to increase. Last year, in connection with the 1926-27 Estimates, it was suggested that motorists should be required to bear a greater proportion of this expenditure, for the reason that it was principally incurred for their benefit. Although it may be true that the proportion of revenue derived from motorists under Customs duty and licence fees amounts to a substantial portion of the cost of the maintenance and construction of roads, the question arises whether in the present financial circumstances the Palestine Government might not justifiably impose a direct tax on private cars if not on commercial motor vehicles. It is requested that further consideration may be given to this point.

RAILWAY ESTIMATES.

It is necessary to point out that the Railway Estimates are again presented in an unsatisfactory form. Except in regard to Railways extraordinary expenditure, practically no comment or explanation is made as to the changes proposed. As an instance of this, attention is invited to the fact that no explanation is offered with regard to the regradings under Item 18, Abstract A, and Items 25 and 27, Abstract D, or with regard to the increases of salaries entered under Items 35, 38, and 39, Abstract DD, or with regard to the increase of clerical staff entered under Item 50, Abstract E. In many other similar cases no explanation is offered. In this connection attention is invited to paragraph 4 of the Secretary of State's Confidential despatch of 22nd September, 1926,‡ and it is requested that next year the Railway Estimates may be submitted with greater precision and clearness. Adequate explanations should be made in the remarks columns against each item providing for a change, and reference should be made to the Secretary of State's approval where that has been given. A covering note should also be sent commenting on the various items in the same way as the items in the remainder of the Estimates are commented upon. As regards the Estimates now submitted, it is requested that the necessary explanations may be forwarded with the printed copies of the revised Estimates.

EXPENDITURE

Abstract A.

An explanation is requested as to the salary, etc., of the Engineer, Ways and Works. The salary of the Railway senior staff was revised on the same lines as the

* 17591/26; not printed. † 1676/24; not printed. ‡ 17749/26; not printed.

salaries of the Senior Service and, in accordance with the schedules of salaries forwarded with Lord Plumer's Confidential despatch of 17th January, 1927;* the salary of this appointment should be £E900 plus £E100 expatriation allowance.

Item 5.—The two District Engineers are eligible to draw expatriation allowance of £E100 each. Provision of three-quarters of £E200 should therefore be entered.

Item 68.—The note in the remarks column is not understood. It is requested that a further explanation may be given and that it may be considered whether the provision should not be included under Labour.

Item 120.—The expatriation allowance for this post should be at the rate of £E100 per annum

Item 163.—An explanation is requested as to why provision has been entered for this man on the maximum salary since only £E111 was provided for him last year.

Abstract B.

Items 1 *and* 2.—In the schedules of salaries forwarded with Lord Plumer's Confidential despatch of 17th January, 1927,* the salary of the post of Chief Mechanical Engineer was shown as £E950 plus £E100 expatriation allowance. An explanation is requested as to why salary in excess of the maximum of the scale is provided.

Abstract C.

Items 1 *and* 2 —It is presumed that this is the appointment formerly known as Carriage and Waggon Inspector.

Abstract D.

Items 1 *and* 2.—In accordance with the schedules forwarded with Lord Plumer's Confidential despatch of 17th January, 1927,* the salary of this appointment should be at the rate of half of £E1,100 per annum.

Item 8 —It appears that the amount provided under this item should be £E225, since each of these officers is eligible for expatriation allowance at the rate of £E100 per annum.

Item 11.—The Divisional Superintendent is eligible for expatriation allowance at £E100 per annum.

Item 64 —The incremental rate for this post is £E6. It is not clear why an increase of £E35 is entered.

Item 68 —An increase of £E1,920 for guards, brakesmen, and conductors is entered for 1927-28 and in explanation it is stated that this is due to additional trains. On the other hand, no increase of revenue is anticipated

Item 81.—An explanation is requested.

Abstract DD.

Item 2.—The rate of this expatriation allowance should be £E100.

Item 15 —Information is requested as to whether this is a new appointment and, if so, why the officer should not start on the minimum of the scale. The grade is a probationer grade and new appointments to it would not normally be made above the minimum

Item 31.—An explanation is requested as to where these men's salaries were provided for before, and whether compensating decreases have been effected elsewhere in the Estimates.

Abstract E.

Item 3.—See under Abstract D, Items 1 and 2

Abstract F.

Item 15.—It is suggested that in the present financial circumstances the purchase of these four steam rail-coaches should be deferred.

Item 23.—It is also suggested that this expenditure might be deferred until the financial position improves.

* C. 44219/27 [No. 1]; not printed.

C. 44356/27 [No. 11]

No. 5.

THE SECRETARY OF STATE to THE OFFICER ADMINISTERING THE GOVERNMENT.

(No. 1003.)

SIR, Downing Street, 3rd August, 1927.

I HAVE the honour to refer to paragraph 9 of Mr. Amery's despatch No. 938 of the 21st of July* regarding the draft Estimates of the Palestine Government, and to inform you that, after consultation with the Lords Commissioners of the Treasury, I approve the draft Estimates for the Trans-Jordan Frontier Force for the nine months ending the 31st of December, 1927, providing a total sum of £E178,790, on the clear understanding that the grant-in-aid from the British Exchequer for the year ending 31st of March, 1928, will not, in any circumstances, exceed £45,000, the amount provided in the Middle Eastern Services Vote.

I have, &c.,
(for the Secretary of State).
W. ORMSBY GORE.

C. 57034/28 [No. 1].

No. 6.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 2nd January, 1928.)

[*Answered by No.* 7.]

(No. 1657.)

SIR, Government Offices, Jerusalem, 22nd December, 1927.

I HAVE the honour to refer to your despatch No. 938 of the 21st of July* on the draft Estimates for the nine months ending the 31st of December.

2. The Estimates have been revised generally in accordance with your observations and twelve printed copies of the Estimates were forwarded you with my despatch No. 1592 of the 6th instant,† which was incorrectly accompanied by a memorandum by the Treasurer on the Appropriation Ordinance.

3. The Estimates for the nine months as revised now show an excess of expenditure over revenue of £E147,693 as compared with the excess of £E131,723 originally estimated; but it is not anticipated that there will be any actual deficit for the period of estimate.

4. The revision of the revenue estimates has resulted in a decrease of estimated revenue of £E129,732. The Customs revenue for the last two months, however, shows a marked revival and indicates that receipts from this source may exceed the revised estimate by approximately £E20,000. It is difficult at present to ascertain the reason for the recent revival in Customs revenue, but it seems likely that the increase is mainly attributable to the new Customs Tariff. The climatic conditions at this time of the year are, however, favourable for the importation of goods, and there are indications that the fall in imports in the early part of the year was partially due to merchants refraining from replenishing stocks in anticipation of the general revision of the tariff in their benefit. The actual receipts from Posts and Telegraphs and Railways show a decline, and it is likely that actual receipts for the period will fall short of the estimate by some £E8,000 and £E60,000 respectively. On the other hand, there will be corresponding savings on expenditure on these services that will at least make good the shrinkage of revenue.

5. A revision of the expenditure estimates has resulted in a decrease of estimated expenditure of £E113,762. Of this, £E91,656 is due to the deletion of provision for interest on the Loan and £E58,563 to the revision of provision for Extraordinary Works. It has been necessary, however, to make increased provision under certain heads to provide for services which have been approved since the original submission of the Estimates, and where the actual expenditure under heads is likely to exceed the original estimate. Otherwise, except for minor changes of detail remarked upon in your despatch, the Estimates do not provide for the large number of small increases approved by Special

* No. 4. † C. 44356/27 [No. 15]; not printed.

Warrant, the inclusion of which would have entailed considerable revision and consequent delay in completing and printing the Estimates. There will, however, be large savings under heads generally, due mainly to the delay in approving the Estimates.

6. At the same time, it should be realised that the recent revision of the arrangements regarding the Grant-in-Aid to the Trans-Jordan Frontier Force means an additional burden on the Palestine taxpayer of £E48,400 for the nine months, that is, a reduction of £E25,732 under estimated revenue in respect of His Majesty's Government's grant and an addition of £E22,668 to estimated expenditure on account of Palestine's contribution to His Majesty's Government for defence.

7. I agree with you that the problem of balancing estimates in future years will be difficult, particularly in view of increasing commitments on account of recurrent expenditure and the necessity for substantial provision for Extraordinary Works; and that the possibility of any material increase in revenue, even if desirable, is remote. At the same time I feel very strongly that the main cause of the present unsatisfactory financial outlook is due to the heavy burden of military expenditure imposed on the Palestine taxpayer and to essential requirements of a modern State, necessitated mainly by the policy of His Majesty's Government.

8. In regard to your request for information as to the allocation of the existing surplus balance, I append a statement prepared by the Treasurer which was communicated to Heads of Departments at a meeting in my office in connection with the Estimates for 1928:—

	£E.
*1. Transfer from Loan Expenditure to Revenue ...	219,000
*2. O.E.T.A. Deficit	205,000
*3. Special Crown Agents Account, say	657,000
*4. Writing-down of Railway Unallocated Stores ...	55,000
5. Hejaz Railway Deficit	47,000
6. Yarmuk Bridge	9,000
7. Jerusalem Municipality, say	116,000
8. Tel-Aviv Township	70,000
	£E1,378,000

I am addressing you separately on the question of the relief of unemployment. There are unfortunately no signs of any improvement in the present economic depression, but if there were, it is apparent that the financial position is extremely insecure and that both relief from military expenditure and drastic economies in other directions are essential if the estimates in future years are to be balanced. In fact, the remaining surplus balance is inadequate to provide for stocks of unallocated stores, for a working balance and a margin for safety and to meet the estimated deficit in respect of 1928.

9. As suggested by you, I have informed Heads of Departments of the necessity for economy and curtailment of services wherever possible. I have not been able to effect any material reduction in the Estimates for 1928, and my views are amply expressed in the despatch forwarding the Estimates for next year.

10. It has not been possible to give effect in these Estimates to all the suggestions in your despatch and the memorandum accompanying it, and I enclose a memorandum on the changes made in these Estimates as compared with those originally submitted. In the Estimates for 1928, I have caused, in each case where a personal allowance is provided, the name of the officer to be inserted in the remarks column of the Estimates against the appropriate item, and the Estimates for the next year distinguish between pensionable and non-pensionable posts. I am also investigating expenditure on transport and travelling generally, with a view to economy without in any way impairing the efficiency of services, and will communicate to you in due course any suggestions I may have to make in this regard.

11. I realise that the expenditure on Police and Prisons is high in relation to the financial resources of the country. It must be remembered, however, that public security is of primary importance to good government, and that the absence of any military force in Palestine throws a heavier burden on the Police Force than is perhaps the case elsewhere under similar conditions. The increase in the expenditure on the Police Force in recent years is mainly due to the formation of a British Section and the increase in the native strength of the Force to take the place of the British and Palestinian Sections of the Gendarmerie. I am, however, considering the possibility of reducing expenditure on these services in such a way as will not drastically interfere with

* Definitely chargeable to surplus balance.

the organisation and efficiency of the Force. I submit a copy* of the new Regulations for Horse Allowances, which I regret was not sent to you before. The previous grant of Horse Allowances has proved uneconomical and has been abolished, and the Regulations for Compensation have been amended to grant adequate reimbursement in cases of loss by death or unserviceability. I trust you will now approve the revised Regulations.

12. As regards the comparison between revenue and expenditure on Posts and Telegraph services, I am convinced that expenditure cannot be materially reduced without impairing existing services. The organisation of the Department is of recent development and services to the public have considerably improved. While receipts from telegraph and telephone services have declined owing to the general economic depression and the diversion of Syrian through traffic, receipts on the postal side are increasing. The Postmaster-General also states that the demand for new telephones still exists, but that there is a substantial fall in the use of trunk lines by subscribers. It would therefore be difficult substantially to reduce expenditure without actually dismantling lines, which I consider would be imprudent and uneconomical in the long run in the likelihood of the restoration of economic conditions generally. The Department has at least a minimum service to supply and the position has now been reached where this has been accomplished. The Postmaster-General is watching the financial position of these services very closely, and I trust that conditions may improve so as to avoid any reduction of necessary public services.

13. As will be seen from the provision in these Estimates, provision for Extraordinary Works has been considerably reduced. There are, however, many demands on Government for works services of a very necessary nature, the carrying out of which would ultimately result in a decrease of recurrent expenditure; and which might afford considerable relief to the present unemployment question by the employment of labour. I agree, however, that in present financial circumstances, no real constructive scheme of public works can be undertaken.

14. I propose to address you separately† in the course of the next few days on the subject of the Railway estimates.

I have, &c.,
PLUMER, F.M.,
High Commissioner for Palestine.

Enclosure in No. 6.

REVENUE.

Head I.—Customs—Decrease £E70,000.

Item 1.—The estimated receipts from Import Duty have been reduced from £E600,000 to £E530,000. The actual receipts under this item for the six months ended 30th September amounted to £E349,772.

Head III.—Licences, Taxes, &c.—Decrease £E14,500.

Item 5.—The estimated receipts from Road Transport Licence Fees have been increased from £E10,000 to £E11,500. The actual receipts under this item for the six months ended 30th September amounted to £E8,882.

Item 12.—The estimated receipts from Animal Taxes have been reduced from £E19,000 to £E10,000. The decrease is due mainly to remission of tax in Beersheba and Hebron Sub-Districts.

Item 14.—The estimated receipts from Tithes have been reduced from £E160,000 to £E150,000. The decrease is mainly due to a lower redemption price for wheat and to a smaller crop of barley than was anticipated when the original estimates were made.

Item 16.—The estimated receipts from Salt Duties have been increased from £E12,000 to £E15,000. The actual receipts under this item for the six months ended 30th September amounted to £E12,937.

Head IV.—Fees of Court, &c.—Decrease £E19,500

Item 5.—The estimated receipts from Passport Fees have been reduced from £E8,000 to £E6,500. The actual receipts under this item for the six months ended 30th September amounted to £E5,025.

* Not printed. † No. 8.

Item 6.—The estimated receipts from Quarantine Fees have been reduced from £E5,500 to £E3,500. The actual receipts under this item for the six months ended 30th September amounted to £E2,450.

Item 8.—The estimated receipts from Registration of Immigrants Fees have been reduced from £E9,000 to £E5,000. The actual receipts under this item for the six months ended 30th September amounted to £E2,939.

Item 10.—The estimated receipts from Registration of Land Fees have been reduced from £E60,000 to £E45,000. The actual receipts under this item for the six months ended 30th September amounted to £E25,798.

Item 17.—The estimated receipts from Veterinary Fees have been increased from £E3,500 to £E5,500. The actual receipts under this item for the six months ended 30th September amounted to £E4,030.

Item 18.—The estimated receipts from Reimbursements, Trans-Jordan, have been increased from £E8,000 to £E9,000, in accordance with the changes in Appendix A.

Head XI.—Trans-Jordan Frontier Force Grant-in-Aid—Decrease £E25,732.

The estimated receipts from the Trans-Jordan Frontier Force Grant-in-Aid have been amended to agree with the revised contribution as shown in the remarks column of the Estimates.

EXPENDITURE.

Head I.—Pensions—Increase £E1,250.

Item 1.—The provision for Pensions and Gratuities has been increased from £E1,200 to £E3,000 to provide for the changes shown in Appendix B.

Item 3.—The provision under this item has been reduced from £E10,050 to £E9,500, and is based on actual pensions payable.

Head II.—Public Debt and Loan Charges—Decrease £E91,656.

The provision for Interest on Loan (Item 2) has been deleted as the first payment of interest charges on the Loan is payable on 1st May, 1928. The provision for Interest on Advances (Item 1) has been increased from £E8,000 to £E37,000 to meet interest on Crown Agents' Advances pending the issue of the Loan.

Head IV.—Secretariat.

Item 13.—The provision for the post of Chief Clerk is retained and is dealt with in a separate despatch.

Item 56.—The provision for the promotion of Storekeeper from Grade III to Grade II is retained, but will be deleted from the Estimates for 1928.

Head V.—District Administration—Increase £E600.

Item 12.—The incremental rate has been changed from £E50 to £E25.

Item 55.—Provision has been made under this item for medical fees in coroners' inquests, as approved by Colonial Office despatch No. 893 of the 13th July, 1927.*

Head VI.—Legal Department—Decrease £E32.

Item 8.—The rate of personal allowance to Mr. Kermack has been reduced from £E75 per annum to £E50 per annum, and the provision under this item reduced to £E25.

Head VII.—Judicial Department.

Item 41.—The post of Chief Clerk of this Department is being considered separately in connection with the general question of the clerical cadre, and the provision under this item is retained.

Head VIII.—Treasury—Increase £E50.

Item 25.—The provision for transport and travelling has been increased by £E50 as the original provision of £400 is inadequate to meet the expenses of the Inspector of Revenue.

* No. C. 44496/27 [No. 22]; not printed.

Head X.—Customs, Excise and Trade.

Item 14.—The provision for expatriation allowance has been made under Item 12 immediately after the provision for the salary of the Collector.

Head XI.—Department of Health.

Item 10.—The designation of Dr. MacQueen as Senior Medical Officer has been retained as more suitably describing the duties of this officer.

Item 13.—The provision of the post of Chief Clerk has been retained, and the matter is being considered separately in connection with the general question of the clerical cadre.

Item 17.—The provision under this item has not been amended. One post of Lazaret Superintendent has been abolished, and the provision in the Estimates for 1928 will show the correct grade of the remaining appointment.

Head XII.—Department of Education—Increase £E10,000.

Items 25 *and* 32.—The Secretary of State's comments under these items have been communicated to the Director, Department of Education.

Items 42, 45, 49 *and* 55.—The provision under these items for additional teaching staff in town and village schools has been retained. The Director states that the appointments are required for teachers graduating from the Training Colleges in 1927.

The separate provision for teaching staff for town and village schools is retained in these Estimates, but provision has been amalgamated in the Estimates for 1928.

Item 67.—The provision for Grants-in-Aid to non-Government schools has been increased from £E6,500 to £E16,500 to provide for the increased grants to Jewish schools approved by the Secretary of State.

Head XIII.—Department of Agriculture—Increase £E4,590.

Item 6.—The post of Chief Clerk of this Department is being considered separately in connection with the general question of the clerical cadre, and the provision under this item is retained.

Items 30 *and* 32.—The provision for the dry farming station at Beersheba has been retained in these Estimates to meet certain expenditure already incurred on ploughing, &c., but provision for this service has been deleted in the Estimates for 1928.

Item 49.—The appointments of Stock Inspectors are held by officers at the maximum of the grade. These officers previously held the appointments of Veterinary Assistants in Grade III which have been abolished.

Item 53.—The grade of Assistant Veterinary Officer (Laboratories) has been increased from Class 3 to Class 2, as approved by the Secretary of State; and the designation of Assistant Veterinary Officer is retained.

Items 60, 64, 65, 66 *and* 67.—The provision under these items for stock-breeding service is retained. The additional staff is necessary for new stock purchased during the year. The main object of this service is to improve the stock of the country, and receipts from service fees and sales of surplus stock will increase in due course.

Item 86.—The provision for typewriters has been reduced from £E100 to £E60.

Item 90.—The provision for forage has been reduced from £E450 to £E300.

Items 98 *and* 99.—The Director, Department of Agriculture and Forests, states as under:—

> "The sum of £150 under Item 98 is sufficient for co-operative fertiliser demonstrations, fruit drying and canning and dairying demonstrations.
>
> "The sum inserted under Item 99 is the minimum required for maintenance expenditure at Acre, Beisan, Jerusalem, Jericho and Dry Farming Experimental Stations.
>
> "The increase in expenditure as compared with the previous year is due to the fact that these stations are being developed in accordance with a programme of agricultural development which is considered of primary importance to the country."

Item 103.—The provision for veterinary drugs, dressings and instruments has been reduced from £E330 to £E310.

Item 122.—The provision for agricultural stations has been reduced from £E250 to £E50.

Item 124.—The provision of £E5,000 is made under this item for fumigation outfits, and has been approved by the Secretary of State.

Head XIV.—Antiquities Department—Decrease £E1,650.

Item 8.—The scale £E270—15—£E350 for the Museum Assistant was to provide for the appointment of Miss Levy to this post, in the scale to be adopted for female officers. The provision has been retained, but the Estimates for 1928 include provision for this appointment in Class 3.

Item 33.—The provision of £E450 for national costumes and ethnological specimens has been deleted, as expenditure under this item has been postponed indefinitely.

Item 34.—The provision for the conservation of the Crusaders Castle at Athlit has been reduced from £E1,500 to £E300. The work has been postponed, and the provision now made is to meet expenditure already incurred.

Head XV.—Land Settlement—Decrease £E255.

Items 4, 7 *and* 9.—The provision for duty allowances to Land Settlement Officers has been revised in accordance with the rates recently approved by the Secretary of State.

Item 14.—Provision for messengers, cleaners and watchmen has been increased from £E90 to £E175, as the amount originally inserted was under-estimated.

Item 22.—The provision for payment of Mukhtars has been deleted, as no payments will be made in 1927.

Item 26.—Provision for contingencies has been reduced from £E80 to £E45.

Head XVII.—Surveys Department—Decrease £E2,986.

The following appointments have been deleted from the Estimates under this head:—

Items 11 and 12	1 Sub-Inspector.
Item 42	2 Surveyors, Grade IV.
Item 46	Field Allowances, £E100.
Item 47	Labour Service, £E500.

The additional appointments are required mainly in connection with the two new Land Settlement Commissions. There will, however, be considerable savings under this head in respect of deferred appointments owing to the delay in setting up the new Commissions.

The Estimates also provide for the following decreases under Other Charges:—

	£E.
Item 55. Transport and Travelling...	1,500
Item 57. Clothing	200
Item 66. Purchase of Animals	250

Item 29.—The provision for expatriation allowance is payable to Mr. B. A. Davis, who at present holds the appointment of Draughtsman, Grade I.

Item 49.—The provision for Land Settlement Commissions is now shown under Head XV—Land Settlement. The provision for the salary of the Chairman of the Beisan Commission, now designated as a Land Settlement Officer, is made under Head V—District Administration, Item 12. The Secretary of State's approval of the appointment of Mr. I. N. Camp to the Administrative Service, *vice* Mr. Maclaren, promoted to Assistant District Commissioner, has since been received. Mr. Camp is, however, seconded for Land Settlement work, and provision for his pensionable emoluments is shown under Head V—Item 12, and for duty allowance attaching to the appointment of Land Settlement Officer under Head XV—Item 4.

Head XVIII.—Police and Prisons—Decrease £E3,760.

The Secretary of State's comments on the annual expenditure on Police and Prisons are dealt with in the despatch. The estimates under Other Charges have been reduced as under:—

	£E.
Police.	
Item 103. Tentage and Camping Equipment	100
Item 106. Forage Allowances	1,000
Item 115. Upkeep of Mechanical Transport	500
Item 109. Barrack Furniture	300
Item 124. Mechanical Transport	760
Prisons.	
Item 161. Uniforms and Clothing	500
Item 175. Two Disinfectors	600

Item 9.—The provision under this item in 1926-27 included the payment of acting allowance to Mr. Henderson from January, 1923. The provision under this item in 1927 is the actual salary payable to Mr. Henderson

Item 107.—A copy* of the revised Regulations for Horse Allowance is attached. The grant of horse allowance to mounted men proved uneconomical and has been abolished, and the payment of compensation in cases of loss is considered sufficient.

Item 109.—The reduced provision of £E850 for barrack furniture includes provision for an initial issue of furniture for married quarters of British Police who are at present in the country.

Items 148, 150 *and* 152.—The additional warders provided under these items are for the establishment of a new Jail Labour Company, which hitherto has been staffed by military police. The increase of existing Jail Labour Companies is not desirable and the Central Prisons are already overcrowded. The establishment of this Jail Labour Company is greater than would be necessary if these prisoners were confined in prisons, owing to the conditions under which the prisoners are accommodated and working; but the establishment is not greater that that approved for existing Jail Labour Companies.

Head XIX.—Gendarmerie (Palestinian Section)—Increase £E55.

Provision has been inserted under this head for expenditure that will have to be defrayed in 1927 on account of outstanding commitments from the previous year.

Head XX.—Gendarmerie (British Section)—Increase £E499.

Provision has been inserted under this head for expenditure that will have to be defrayed in 1927 on account of outstanding commitments from the previous year.

Head XXII.—Defence—Increase £E22,668.

The provision for Defence is in respect of the contribution to the Imperial Government towards the cost of the Royal Air Force and Armoured Cars employed in Palestine and Trans-Jordan.

Head XXIII.—Posts and Telegraphs—Decrease £E2,400.

The Secretary of State's comments on the revenue and expenditure of this Department have been dealt with in the despatch.

The following decreases have been made under Other Charges of this head:—

	£E.
Item 86. Railway Fares and Freight	300
Item 88. Upkeep of Mechanical Transport	300
Item 93. Uniforms and Clothing	250
Item 95. Maintenance Stores	600
Item 105. Furniture	200

and expenditure under the following items has been postponed and provision deleted from the Estimates for 1927:—

	£E.
Item 102. Push Trolleys	45
Item 103. Cable and Wire-measuring Machine	35
Item 106. Weighing Machine	200
Item 107. Posting Boxes	100
Item 108. Office Clocks	50
Item 109. Fire Extinguishers	100
Item 110. Adding Machine	100
Item 111. " Addressall " Machine...	120

Item 111.—The provision of £E988 for Renewals Fund in connection with the maintenance of the Sinai telegraphic route is in accordance with the recent agreement for the maintenance of the route.

Head XXV.—Public Works Recurrent—Increase £E4,500.

Item 8.—The provision for rent of offices and quarters has been increased by £E4,500, to meet actual expenditure incurred in 1927.

* Not printed.

Head XXVI.—Railways.

The Secretary of State's observations on the Railway estimates are being dealt with in a separate despatch.

Head XXVII.—Miscellaneous—Increase £E3,328.

Item 1.—The provision for stationery and printing has been increased by £E1,500 to provide for the printing of Palestine Ordinances in codified form.

Item 4.—Provision for cash safes and boxes has been increased by £E550 as the original provision was under-estimated.

Item 5.—Provision of £E1,000 has been inserted for steel stamp dies as provision in 1926-27 was unexpended.

Item 11.—The original provision for passages was over-estimated and has been reduced by £E700.

Item 14.—The original provision for Crown Agents' expenses was over-estimated and has been reduced by £E150.

Item 19.—Provision for grants to municipalities has been reduced by £E1,500 and only provides for approved grants

Item 22.—The original provision for commission to stamp vendors was over-estimated and has been reduced by £E150.

Item 26.—It has been necessary to insert provision of £E103 for the destruction of derelict ammunition to meet outstanding commitments from 1926-27.

Item 27.—The provision of £E70 for rubber stamp machines and accessories has been inserted as provision in 1926-27 was unexpended.

Item 28.—The provision of £E2,230 for expenditure in connection with the Beersheba drought was approved by Colonial Office despatch No. 892 of 13th of July, 1927.*

Item 29.—Provision of £E375 for expenditure in connection with the Central Town Planning Commission has been approved by Colonial Office despatch No. 969 of the 27th of July, 1927.†

Head XXVIII.—Posts and Telegraphs Extraordinary—Decrease £E6,300.

Item 1.—The provision for additional exchange switchboards has been reduced by £E1,000 owing to the delay in the removal of the Jaffa Post Office.

Item 6.—The provision for railway fares and freight has been reduced by £E500, as the original provision was over-estimated.

Item 7.—Provision of £E3,800 for removal and diversion of cables has been deleted as no expenditure under this item will be defrayed in 1927 owing to the delay in the removal of the Jaffa Post Office.

Item 8.—The provision for upkeep of mechanical transport has been reduced by £E1,000 as the original provision was over-estimated.

Head XXIX.—Public Works Extraordinary—Decrease £E57,625.

The Secretary of State's observations on the necessity for economy in expenditure under this head are dealt with in the despatch.

It has been possible in certain cases to defer expenditure indefinitely on certain items of a less urgent character or which cannot be commenced in 1927; and provision under the following items has been deleted :—

		£E.
Item	7, Forest Station	350
Item	8, Reconditioning Police Post, Asluj	400
Item	11, Dry Farming Station, Beersheba	1,070
Item	16, Improvements and Additions to Mental Hospital, Bethlehem	4,600
Item	18, Improvements to Boys' School, Birch	450
Item	19, Water Supply for Nursery, Esfia	260
Item	21, Prison, Gaza	700
Item	27, Improvements to Port Disinfecting Station, Haifa ...	260
Item	28, Dining Hut at Lazaret, Haifa	220
Item	29, Customs Shed, Haifa	2,000
Item	37, Sanitary Improvements to Girls' School, Hebron ...	140
Item	39, Electric Installation for Disinfecting Station, Jaffa ...	100
Item	40, Hut for Survey Department, Jaffa	300

* No. C.44496/27 [No. 21]; not printed. † No. C.44261/27 [No. 5]; not printed.

		£E.
Item	46, Improvements to Fencing at Central Prison, Jerusalem	325
Item	48, Completion of Rashidiya School, Jerusalem	1,700
Item	49, Improvements to Mamunieh School, Jerusalem ...	300
Item	50, Posts and Telegraphs Store, Jerusalem	900
Item	60, Improvements to Police Post, Kubab	350
Item	61, Addition to Boys' School, Lydda	380
Item	63, Police Post, Mount Carmel	450
Item	66, Forest Nursery, Nazareth	500
Item	68, Sanitation of Boys' School, Ramleh	250
Item	69, Addition to Boys' School, Ramleh	200
Item	70, Police Station and Prison, Ramleh	7,000
Item	71, Site for Stud Loose Boxes, Ramleh	150
Item	72, Accommodation for Customs Officers, Ras-el-Nakura ...	400
Item	75, Prison and Magistrate's Court, Tiberias	2,200
Item	77, Boys' School, Tiberias	3,500
Item	79, Reconditioning District Offices, Tulkarem	100
Item	80, Sanitation of District Offices, Tulkarem	220
Item	81, Forest Station, Tulkarem	350
Item	83, Rehoboth—Hederah Road	2,000
Item	97, Reconstruction, Jerusalem—Ramleh Road	6,000
Item	104, Mooring Buoys for Haifa Harbour	900
Item	106, Purchase of Road Rollers	2,700
Item	107, New Motor Transport Vehicles for Public Works Department	1,100
Item	108, Lighters for Dredging at Haifa	1,200
Item	110, Zeita Village Water Supply	200

It has been necessary, however, to provide for new works, since approved by the Secretary of State, as under :—

		£E.
Item	18, Additions and Alterations to Quarantine Lazaret, Haifa	2,200
Item	20, Special Repairs to Quarantine Lazaret, Haifa	700
Item	28, Purchase of Building used as Disinfecting Station, Haifa	2,250
Item	46, Alterations and Additions to Temporary Residence of High Commissioner, Tantura	300
Item	47, Alterations and Additions to Temporary Residence of High Commissioner, Institut Biblique Pontifical ...	2,750
Item	48, Furniture for the Residence of the High Commissioner	2,200
Item	49, Accommodation for the Chief Justice	700
Item	87, Reconstruction of Jaffa—Sarona Road	1,500
Item	88, Kishon Drainage Scheme	14,000
Item	89, Special Repairs to Buildings Damaged by Earthquake ...	6,000

The decreases under other items of this head may be accountable to delay in commencing works, and to the revision of works estimates generally.

C. 57034/28 [No. 2].

No. 7.

THE SECRETARY OF STATE to THE OFFICER ADMINISTERING THE GOVERNMENT.

(No. 84.)

MY LORD, Downing Street, 25th January, 1928.

I HAVE the honour to acknowledge the receipt of Lord Plumer's despatch No. 1657 of the 22nd December,* in regard to draft Estimates for the nine months ending the 31st of December, 1927, and to convey to you my approval of the revised Estimates transmitted with his despatch No. 1592 of the 6th of December.†

* No. 6. † C. 44356/27 [No. 15]; not printed.

2. I note that provision has been retained for certain posts of Chief Clerk. Payment of salary on the scales shown in the Estimates should not, however, be made except in those cases where the promotion of the officer to the scale in question has received my approval.

3. I propose to address you separately in regard to the revised Regulations for Horse Allowance.

I have, &c.,
(for the Secretary of State),
W. ORMSBY GORE.

C. 57034/28 [No. 5].

No. 8.

THE OFFICER ADMINISTERING THE GOVERNMENT to THE SECRETARY OF STATE.

(Received 20th February, 1928.)

[*Answered by No.* 9.]

(No. 139.)

Government Offices, Jerusalem, 10th February, 1928.

SIR,

I HAVE the honour to refer to the last paragraph of Lord Plumer's despatch No. 1657 of the 22nd of December, 1927,* regarding the Estimates for the nine months ending the 31st of December, 1927, and to offer the following observations on Head XXVI, Railways.

2. The observations follow the order of the references of Items in the Abstracts of the Railway Estimates.

Abstract "*A.*"

Salary of Engineer, Ways and Works.—The salary should have been shown in the Estimates as £E925 and the Expatriation Allowance as £E100. When the Estimates were compiled the alteration of salaries and expatriation allowances had not yet been announced; and the General Manager was instructed to submit his estimates on the basis of the previous scales of salaries.

Item 5.—The amount of Expatriation Allowance should be £E200 for the year and three-quarters should have been provided.

Item 18.—It is proposed that the Junior Service classified personnel shall be increased as under to provide for the more efficient working of the Department:—

4 Draughtsmen, Grade IV (3 to be promoted from unclassified staff).
1 Clerk, Grade V, New appointment.
2 Timekeepers, Grade V, New appointments.

Item 68.—Under the revised classification of the Estimates the heading "Other Charges" does not exist.

Item 120.—The amount of Expatriation Allowance should be £E100.

Item 163.—This is accounted for by a transfer within the service as follows:—

An instrument repairer in receipt of a salary of £E111 per annum was transferred from the Palestine Railways to the Hejaz Railway (Palestine Section) and replaced by an employee from Hejaz Railway (Palestine Section) in receipt of a salary of £E132 per annum.

Abstract "*B.*"

Items 1 *and* 2.—The correct amount should be £E950 plus £E100.

Abstract "*C.*"

Items 1 *and* 2.—This is the appointment previously known as Carriage and Wagon Inspector.

Abstract "*D.*"

Items 1 *and* 2.—The salary of this appointment should be at the rate of half of £E1,100 per annum.

Item 8.—£E225 should have been provided.

Item 11.—At the time when the General Manager prepared his estimates, the Divisional Superintendent was not entitled to receive Expatriation Allowance, but was in receipt of a consolidated salary of £E750 per annum. As from the 1st of October,

* No. 6.

1926, his regrading in Class 2 at £P700 with Expatriation Allowance was sanctioned by your despatch No. 1314 of the 14th of October, 1927.*

Items 25 *and* 27.—The regrading of the posts is recommended in consequence of the additional work and responsibilities placed on the holders.

Item 64.—Provision is made for two increments of £E6 each, and the £E23 was a special increase which it was desired to grant to one of the Ticket Examiners so as to place him on the same rate of pay as the other officer. This latter amount has, however, not been expended.

Item 68.—An increase of £E50,100 was anticipated in Goods Revenue. The receipts for all sections are estimated at £E633,700, which is £E2,675 in excess of the estimate for the current financial year. A decrease of £E34,850 is anticipated on coaching and £E12,575 on miscellaneous, whilst an increase of £E50,100 is expected on goods.

Item 81.—It has since been found that provision for this item is not required, the expenditure being allocated to Item 73.

Abstract "*DD.*"

Item 2.—The allowances should have been shown as £E100.

Item 15.—It is proposed to appoint a clerk, Grade V, and a clerk, Grade VI, to render additional clerical assistance, and one clerk, Grade II, transferred to "B"—net decrease £E63.

The increased train service necessitates additional staff.

Items 35, 38 *and* 39.—There are no increases of salary under these heads in the Estimates as they relate to Stores Maintenance and Other Charges. The query presumably relates to Items 31, 32 and 23.

				£E.	
31.	Increases	...	Enginemen	... 1,400	
32.			Shedmen	... 500	
33.			Material	... 150	
					£E1,650

The increased train service necessitates the employment of extra engine crews and shedmen.

Abstract "*E.*"

Item 3.—This presumably refers to Items 1 and 2 of Abstract "D" and not No. 102 of Abstract "D."

Item 50.—In the Junior Service establishment (classified staff) a number of regradings are recommended and the following new appointments provided for:—

1 Clerk, Grade III, and
5 Clerks, Grade VI.

Abstract "*F.*"

Item 15.—The purchase of these coaches has been postponed to the current year.

Item 23.—The six third-class coaches have been received from England. It is, therefore, not possible to defer the expenditure provided on this account.

I have, &c.,
G. S. SYMES,
Officer Administering the Government.

C. 57034/28 [No. 8].

No. 9.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

[*Answered by No.* 10.]

(No. 223.)

Downing Street, 6th March, 1928.

MY LORD,

I HAVE the honour to acknowledge the receipt of Lieutenant-Colonel Symes's despatch No. 139, of the 10th of February,† in which he offered observations on my comments on Head XXVI (Railways) of the Estimates for the 9 months ending on the 31st of December, 1927. As requested in the note of the 16th February,‡ from the Acting Chief Secretary, the despatch has been renumbered and a correction has been made on page 2. I would request that the note of the 23rd of February§ from the

* P.F. 28012 Middle East; not printed. † No. 8.
‡ C. 57034/28 [No. 7]; not printed. § C. 57034/28 [No. 6]; not printed.

Under-Secretary of State, which dealt with the question of renumbering the despatch, may be regarded as cancelled.

2. The explanations offered in the despatch under reply in regard to the details of Head XXVI of the 1927 Estimates are generally satisfactory, but there is no apparent reason why the information now given could not have been given when these Estimates were submitted to me in draft. As regards the comment offered by Lieutenant-Colonel Symes in regard to Item 23 of Abstract "F" it is not clear to me why the six third-class coaches were ordered, as I presume was the case, in advance of my approval of the Estimates.

3. It would be convenient if, following the practice adopted in regard to the remainder of the Palestine Estimates, I could be furnished with copies of the detailed revised estimates for the Palestine Railways, which presumably are drawn up after the receipt of my despatch commenting on and, subject to these comments, approving the draft Estimates. It would also be convenient if the revised Railway estimates and, if possible, the draft Railway estimates could be printed, giving the details. As intimated in the third paragraph of my Confidential despatch of the 22nd of September, 1926* (which need no longer be regarded as confidential), the Railway estimates could either form the subject of a separate volume or be printed as an appendix to the General Estimates of Palestine. I request that the revised Railway estimates for 1928 be printed in one of these forms.

4. In conclusion I must again draw attention to the delay in submitting for my approval details of the Railway estimates and in replying to my comments on those details. The details of the Railway estimates for 1928 have not yet reached me; your reply to my comments on the details of the draft Railway estimates for 1927 arrived several weeks after the end of the financial period to which they related and, as I have pointed out in this despatch, I have not received any details of the revised Railway estimates for that period. I should be glad to be informed whether there is any reason why these particulars should not reach me at the same time as the detailed General Estimates. In this connection I would invite attention to the third paragraph of my Confidential despatch of the 22nd of September, 1926.

I have, &c.,
L. S. AMERY.

C. 57034/28 [No. 9].

No. 10.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 7th May, 1928.)

(No. 412.)

SIR, Government Offices, Jerusalem, 26th April, 1928.

I HAVE the honour to acknowledge the receipt of your despatch No. 223 of the 6th of March† with regard to the Railway Estimates for the financial period ended the 31st of December, 1927.

2. With regard to Item 23 of Abstract F, the purchase of the six third-class coaches in question was approved in your despatch No. 915 of the 21st of July, 1926,‡ and I was informed that the Indent had been passed to the Crown Agents.

3. The draft and revised Railway Estimates will be printed, in future, in the form and manner recommended in paragraph 3 of your despatch; but it will not be possible to furnish you with a printed copy of the Estimates for 1928 for some time.

4. I am instructing the General Manager, Palestine Railways, to submit the details of his Estimates at an earlier date in future.

The necessity, however, to deal with three separate systems of accounts, for the Palestine Railways, the Sinai Military Railway and the Hejaz Railway complicates the preparation of the detailed Estimates and some delay in their submission is generally to be expected for that reason.

I have, &c.,
PLUMER, F.M.,
High Commissioner for Palestine.

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* C 17749/26; not printed. † No. 9. ‡ C. 12075/26; not printed.

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END